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City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

CITY OF DOVER, NEW HAMPSHIRE

Comprehensive Annual Financial Report

For the Year Ended June 30, 2012

Prepared by:
The Finance Department

Daniel R. Lynch
Finance Director

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INTRODUCTORY SECTION

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City Manager

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City of Dover, New Hampshire

OFFICE OF THE CITY MANAGER

December 27, 2012

To the Honorable Mayor and members of the City Council:

City Charter Section C6-12, Independent Audit, requires an annual independent audit of all City accounts at least annually. This Comprehensive Annual Financial Report (CAFR), including the opinion of the independent auditor, is published to fulfill that requirement for the fiscal year ending June 30, 2012.

The CAFR covers all funds of the City of Dover that by law, City Charter, or other fiduciary obligation, the City has become obligated to administer in connection with its responsibility for providing services.

This report consists of the management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Macpage LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ending June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the financial

statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Users of this CAFR are encouraged to read this Letter of Transmittal in conjunction with the City's MD&A section found immediately following the report of the independent auditors.

Profile of Government

Geography Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire. The City of Dover occupies an area of 29 square miles and serves a population of 29,987, based on the 2010 Census.

The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855. The City Charter adopted on March 9, 1977, remained in effect until a new charter was passed on November 8, 2005 and effective January 1, 2006. Only minor changes were made versus the old charter. On November 6, 2007, the charter was amended establishing a limitation on annual budget increases. On November 10, 2010 the New Hampshire Supreme Court ruled that the November 6, 2007 charter amendment is invalid since it is contrary to state law. In the 2011 session of the State legislature, authorization for municipalities to adopt charter amendments for budget or tax levy limitations was enacted. On November 8, 2011 the charter was amended to the change the language establishing the limitation on annual budget increases to a limitation on annual property tax levy increases. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

Services The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

Governing Boards The City Council, consisting of nine members, is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital improvements program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by state statute to levy property taxes on real property located within its boundaries to fund operations.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority for the School Department budget. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

Administration Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, compliance with State and Federal laws, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, for negotiating with the various bargaining units of the City and making recommendations to the City Council on various issues.

Administrative functions of the dependent School district are carried out by the School Board. The Board is responsible for carrying out policies and procedures, compliance with State and Federal laws, overseeing the day to day operations of the dependent School district, negotiating with the various bargaining units, making appointments of school personnel, establishing curriculum and addressing various issues.

Fiscal Year and Budget The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of $25,000 or more for items with useful lives of 3 years or longer are included in this budget. Based on City Council financing policy, items are identified for bonding, annual operating budget or other type of financing.

Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget for the next fiscal year,

which includes the School Board request, is due to the City Council by April 15th of each year.

The City Council may add to, or cut from, the Manager's recommended annual budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1.

After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

Local Economy The local economic environment over the past fiscal year has improved very slightly except in specific sectors including advanced manufacturing and commercial construction, as well as a variety of services in architectural, cleaning, and fitness. General retail areas show small but consistent improvement. Economic Development activity continues to support existing business retention with some success despite the continued dearth of critically important credit and financing availability for local small businesses.

Through vigorous business relocation outreach coupled with stringent municipal spending restraint in the City's operations coupled with the approval of five Economic Revitalization Zone Districts have successfully brought forty-five new/ expanded businesses and 435 new jobs to Dover.

The expanding healthcare industry in the City, its proximity to UNH, Pease Tradeport, and the Portsmouth Shipyard have continued to add stability and diversity to the economic mix and has kept unemployment in Dover well below that of New Hampshire, New England, and the surrounding communities as well as the Nation. Becoming the fastest growing city in New Hampshire has helped Dover statistics as well.

New Hampshire's GDP and labor force in moderate decline since 2008, has now stabilized to some degree. At the conclusion of the 2012 fiscal year, the labor force of Dover has continued to grow about 1% per year with minor variations below and above the trend line.

Dover's local unemployment rate is currently 5.1% which is 0.4% higher than this time last year. The seasonally adjusted unemployment rate, consistently lower than that of the U.S. (8.3%) and the State of New Hampshire (5.4%) was up slightly at the end of fiscal year 2012. The national unemployment rate decreased by 0.8% in the same period.

In combination with the current economic environment and unemployment levels, the median household income in Dover increased by an estimated 1.25% from $61,680 in FY11 to $62,451 in FY12.

The number of motor vehicle permits increased to 30,838 in FY12 as compared to 29,280 in FY 11. The number of building permits increased from 358 in FY11 to 381 in FY12 and the average permit value increased from $55,440 to $62,427. Despite a slowing in residential development in Dover and across the country, commercial property development has continued at a slow pace throughout the year.

Although the residential development has slowed somewhat, the City saw moderate commercial growth during fiscal year 2012. Planning efforts have continued in anticipation of future residential and multi-use development projects being undertaken. Changes to land use regulations have been put in place to encourage both community character as well as streamline the regulations and remove barriers to context sensitive development.

Residential sales continue to improve slightly and are stabilizing as low mortgage rates and declining prices (now up slightly) are somewhat offset by more stringent down payment and credit quality requirements from lenders. Foreclosed properties continue to add to the unsold housing inventory on the market. The slight improvement in sales has affected the number of residential projects coming before the Planning Board. Projects now tend to be smaller and more market specific than in recent years.

Some commercial development has begun, heavily weighted in the rehabilitation sector. Some new construction projects have begun as financing options permit.

Hospitality industry development exists in proximity to the Liberty Mutual and Measured Progress campuses at the northern edge of the City. Current occupancy rates are improving rapidly with full occupancy being intermittently experienced.

The Exit 9 location on the Spaulding Turnpike has continued to enjoy development activity. The 100,000 sq, ft. medical practices building has reached full occupancy and a new dental group building and a dialysis facility has started operations.

In the downtown city core, the Childrens' Museum of New Hampshire continues to attract approximately 100,000 visitors annually to Dover bringing added vibrancy, customer traffic, and new dollars to downtown businesses and restaurants. Recently, there has been development of retail space within the Cocheco Falls Mill across the street from the Museum. This development shows the potential growth in retail uses along the Washington Street Corridor.

To further expand the downtown, the City has taken advantage of rezoning efforts in 2009 to create a more flexible and innovative development environment through the addition of the Form Based Code style of zoning. This zoning encourages mixed uses, and places a higher emphasis on height, massing and placement of a building than on the uses contained within the building. To date the Planning Board has

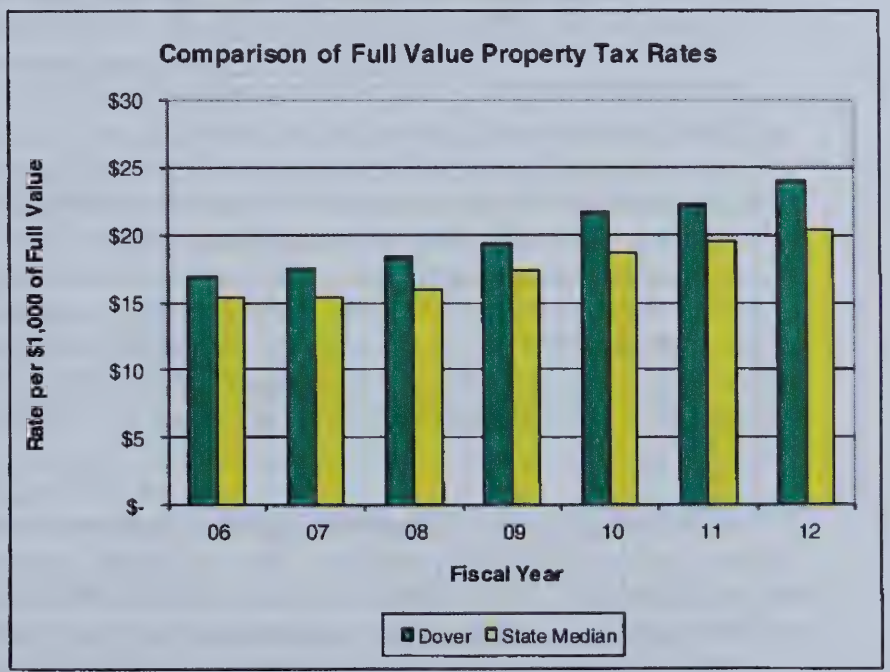
reviewed three projects, including a conversion of 120,000 square feet of office space in the Cochecho Falls Mill into one hundred twenty (120) unit residential units. The demolition of the former office space has begun to make way for the work to be completed. These units will have dramatic views of the downtown Dover including the waterfront and will be rented to individuals.

The integration of the Dover waterfront redevelopment into the downtown continues with the opening of the Tommy and Mary Makem Memorial Bridge, extending Washington Street, and upgrade of the River Street Pump station. These additions coupled with the continued work of Dickenson Development to engineer and ultimately permit the portion of privately financed project includes commitments to construct high end residential units, more than 30,000 square feet of new retail and office space, boating facilities and a restaurant along the riverfront.

In the Locust Street industrial park, three new electronics assembly and component businesses are in a formerly vacant building, bringing 65 new jobs.

In the Enterprise Park, one new relocation candidate company is considering available parcels owned by DBIDA and another has purchased a DBIDA owned building it formerly leased. The purchase of the Cocheco Falls Mill by a mill developer is complete and is expected to bring 120 apartments to the downtown core. Efforts are continuing to develop City core infill projects to four City-owned parking lots along with a public parking garage.

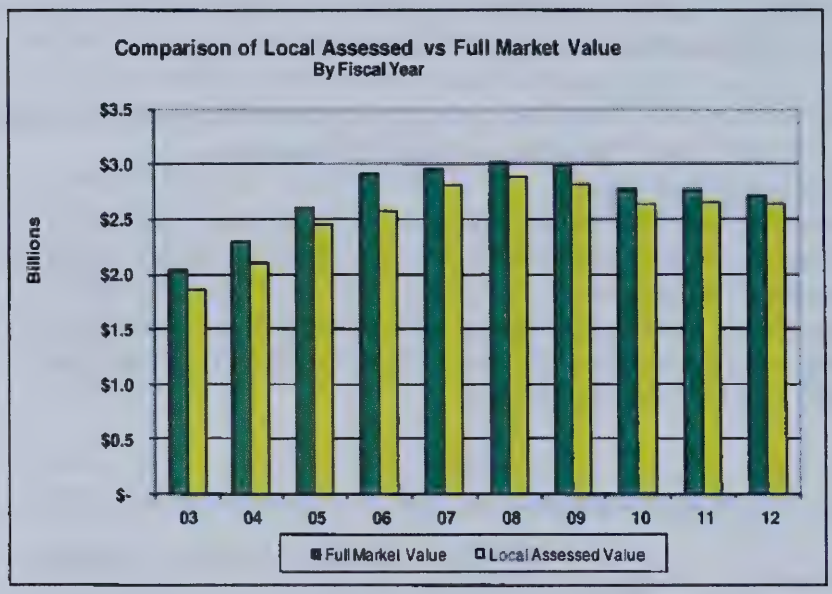
The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid-point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half are lower. This is a good measure of tax burden as all municipal assessed values are brought to full market value and tax rates equalized.

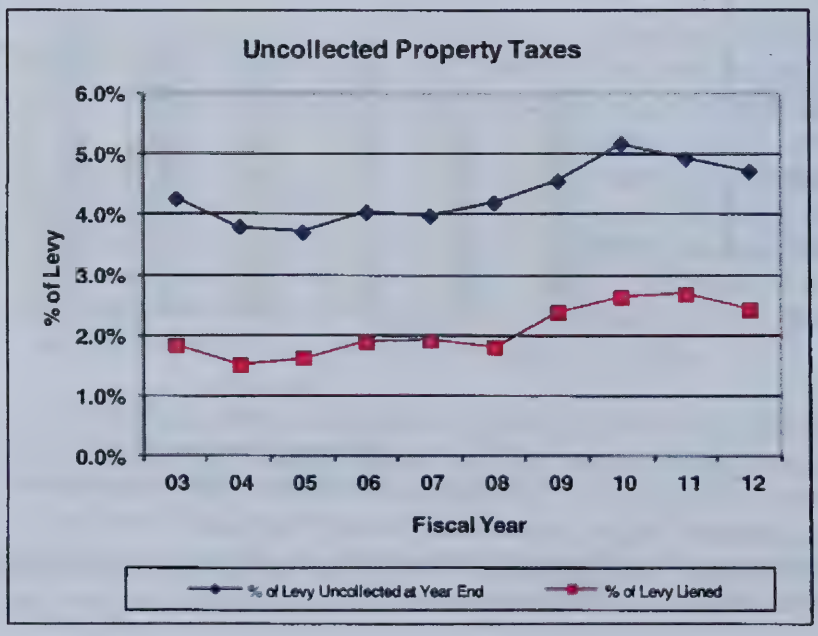


The recent trends in the national credit market continue to impact real estate activity throughout New England. While New Hampshire and Dover, in particular, are not

immune, the level of increase in real estate transactions during the past year has been relatively small. The real estate sales activity in Dover for FY12 was 742 transactions versus 740 for FY11. This level of activity represents transfers of 7.5% of taxable parcels during FY12 remaining stable with the level of 7.5% in FY11. In conjunction with this activity, the number of taxable parcels increased from 9,873 in FY11 to 9,899 in FY12, a less than 0.01% increase. The stable volume of taxable parcels in combination with a stabilization of property values has resulted in the estimated equalized property value per capita changing from $92,051 for FY11 to $89,532 in FY12, a decrease of 2.7% for the fiscal year.

Full market value as determined by the NH Department of Revenue Administration decreased 2.1% during the fiscal year. Assessed value as a ratio of full market value was 97.3%. In the second half of fiscal year 2012 the City's assessed property values appeared to be demonstrating stabilization in values based on sales data. As of April 1, 2012 the City's overall assessed values demonstrated a .71% increase in value over the prior year.





The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2012 decreased slightly to 4.7% as compared to 4.9% in FY11 (actual amount remaining unchanged at $3.0 million). There were 355 parcels from the current tax levy with outstanding taxes that had a lien placed, down from 366 last year. The number of delinquent parcels

decreased by 11 or 4.8%. The dollar amount of the liens decreased slightly to 2.4% of the tax levy as compared to 2.7% for last year. The actual amount of the executed lien decreased 4.8% from $1,641,606 to $1,563,176.

Financial Position The City's General Fund ended Fiscal Year 2012 with an increase to its Unassigned Fund Balance of $1,343,814 to $7.28 million. The General Fund unassigned fund balance at June 30, 2012 was 8.21% of the FY13 budget (8% is the minimum requirement of the City Financial Policies). The Water Fund saw a decrease in unrestricted net assets of $0.47 million, from $3,205,197 to $2,733,914. The Sewer Fund saw an increase in unrestricted net assets of $0.97 million, from $3,327,964 to $4,298,694.

Unrestricted Net Assets		
Fund	FY12	FY11
General	7,285,807	5,941,993
Water	2,733,914	3,205,197
Sewer	4,298,694	3,327,964
Total	14,318,415	12,475,154

In FY2009 the Arena Fund was dissolved into the City's General Fund. The City continues to be diligent to balance the fiscal operations of the Arena, including scheduled fee increases and expenditure control. The Arena operating results, inclusive of related debt obligations, were revenues in excess of expenditures of $64,809 in FY2012 and $32,503 in FY2011.

The liquidity of the General, Water and Sewer Funds is good and continues to show a favorable trend. This is based on the quick ratio which is a measure of current assets (excluding inventories) divided by current liabilities. The General Fund had a quick ratio of 1.46 with Water and Sewer Funds of 1.42 and 2.07, respectively. A ratio of 1 is considered satisfactory.

The amount of debt incurred by the City remains below the State statutory limits as set forth in RSA 33:4-a for the City and School District, and RSA 33:5-a for the Water Fund. There is no statutory debt limit for the Sewer Fund. The State statutory limit for the City is 3% of Base valuation as determined by the New Hampshire Department of Revenue Administration (NH DRA), the statutory limit for the School District is 7% of Base valuation as determined by NH DRA, and the statutory limit for the Water Fund is 10% of base valuation as determined by NH DRA. As of June 30, 2012 the City had utilized 54.9% of its statutory debt limit, the School District utilized 14.7% of its statutory debt limit, and the Water Fund had utilized 5.3% of its statutory debt limit.

The City Council established self-imposed policy limits that are significantly lower than those set by State statute. As of June 30, 2012 the percent of the City's more conservative debt policy used was 84.5%, the School was 52.6%. General Fund net debt per capita is at $2,288, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value is 2.45%. The General Fund's net debt service as a percent of budget is 10.1%. Although this measure is higher than the 10% recommended by policy, it is partially as a result of a higher rate of debt pay down resulting in a favorable reduction in the cost for debt.

The Water fund is at 100% of the City Council self-imposed policy limit. The Sewer fund remained within the City Council self-imposed policy limits with 21.5% being utilized. Net debt service to budget in the Water Fund is 28.9% and 22.1% within the Sewer Fund, within the 40% set by policy.

In May 2012 Moody's downgraded the City's May 2010 Aa2 rating to an Aa3 rating. In May 2012 Standard & Poor's reaffirmed their May 2010 AA rating of the City.

Policy Monitoring, Long Term Financial Planning, and Responding to the Impact of the U.S. Economic Decline

On April 27, 2011 the City Council adopted a resolution to implement a set of 32 recommended financial policies. These adopted policies include maintaining all of the existing policy statements of 1996 with updates to several of the benchmark indices. In addition, several new policy statements are also included in the recommendations reflecting the most current best practices identified by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. These financial policies address areas such as Stabilization Funds, Fees and Charges, Debt Issuance and Management, Use of One-Time and Unpredictable Revenues, Balanced Budgeting Practices, Revenue Diversification, and Contingency Planning. A copy of the financial policies adopted by the City Council is available on the City's website.

The City Council routinely adopts fiscal initiatives to respond to the changes in the economy that have resulted in impacts such as declines to non-property tax revenues and the community's tolerance for tax increases. The City Council has limited adoption of bonding authorizations to be consistent with the annual amount of debt being retired by the City's tax supported General Fund. The objective of this initiative is to move the City away from recurring debt financing and funding capital reserves at an appropriate level to move from debt financing certain capital outlay. These actions are consistent with the City's Debt Issuance and Management financial policies.

In FY2012 the City Manager, with the concurrence of the City Council, directed departments to manage expenditures to counter-balance both revenue shortfalls and increases in certain costs, while ensuring that operations resulted in a General Fund balance that is consistent with increasing the unassigned balance to 8% as prescribed by policy. The City Administration conducts an on-going evaluation of fiscal operations to insure that expenditures are managed in concert with revenues to insure General Fund Balance is maintained consistent with City policy limit. In FY2012 the City reached the prescribed 8% policy for unassigned General Fund Balance by ending the year with an 8.2% level.

In FY2012 the City was successful in contributing 5% of the actuarially calculated OPEB Annual Required Contribution to an established dedicated fund. This action

is consistent with the City's financial policy objective for managing and prefunding the City's OPEB obligations.

In FY2012 the City, consistent with financial policies, maintained sufficient annual contributions into the General Fund Capital Reserve, Water Fund Capital Reserve and Sewer Fund Capital Reserve.

The City recognizes the importance of a formal process for long term financial planning and forecasting. The City has procured a formal forecasting software application to aid in financial planning. The City has populated the software with the necessary data and has utilized this tool to provide insight to evaluating policy recommendations. The software is utilized to provide formal fiscal forecasting reports complete with national, regional, and local economic overviews and a 5-year projection of both General Fund operations and tax levy impacts as part of the budget process.

Acknowledgements

This report continues to refine the financial reporting of the City. It is the ninth year the City has produced a comprehensive annual financial report (CAFR). This report includes the implementation of Governmental Accounting Standards Board's Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. An actuarially determined liability of the City cost of medical benefits provided to retirees, and employees that will be eligible to receive such benefits upon retirement of the City, is incorporated into the financial statements and the footnotes.

This report also includes the implementation of Governmental Accounting Standards Board's Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of Statement 54 is to improve the usefulness and understandability of governmental fund balance information by providing fund balance in more clearly defined categories.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded eight consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Dover, NH for its Comprehensive Annual Financial Report beginning for the fiscal year ended June 30, 2004 through June 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

This recognizes the City's Finance Department's efforts for full disclosure of the financial information of the City. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report.

The Certificate of Achievement is valid for a period of one year only. The City believes that the current CAFR continues to meet the Certificate of Achievement Programs' requirement and it will be submitted to the Government Finance Officer's Association to determine its eligibility for another certificate.

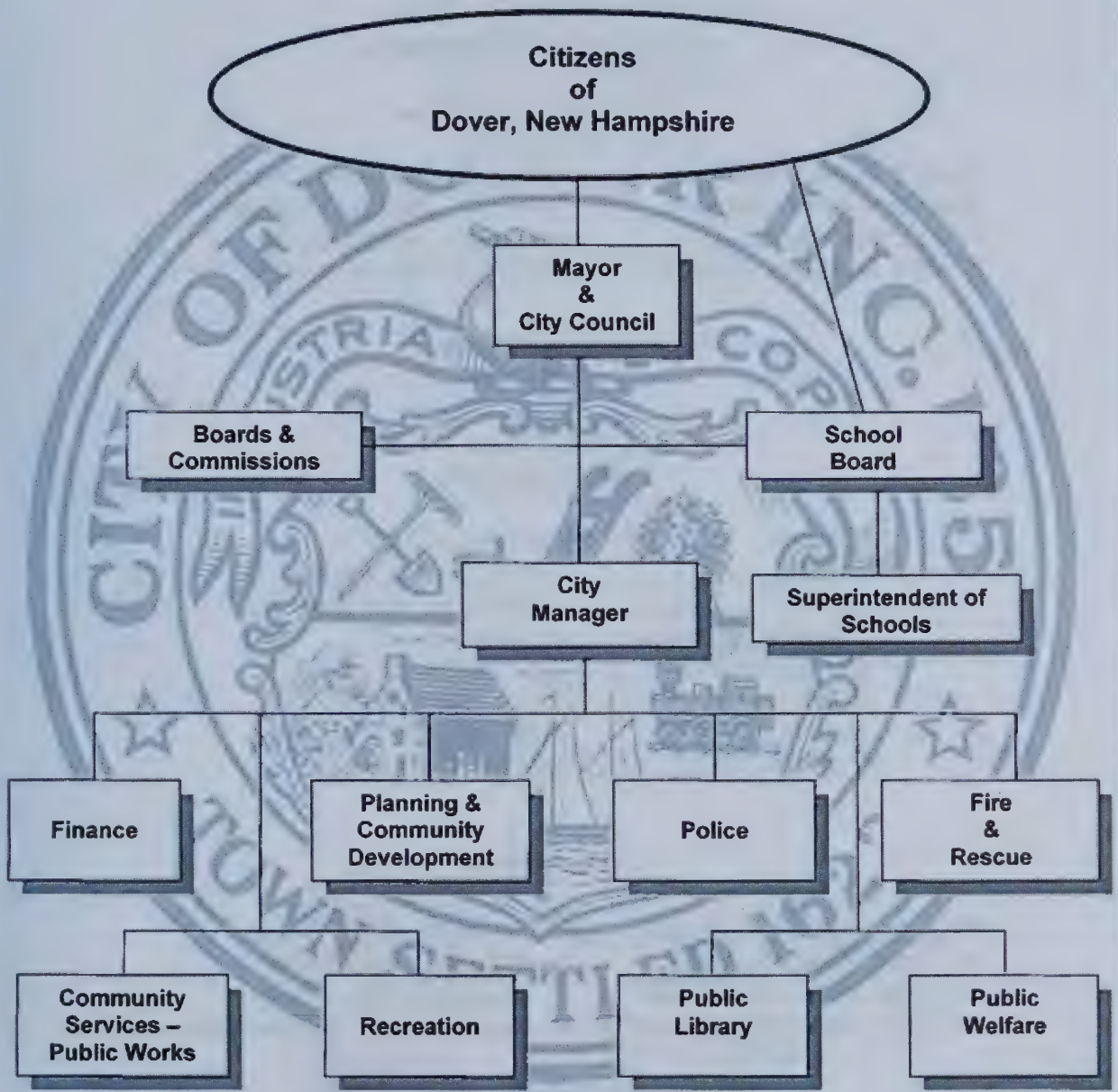
The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

J. Michael Joyal, Jr.
City Manager

Daniel R. Lynch
Finance Director

City of Dover
Organizational Chart



1

City of Dover

New Hampshire

FISCAL YEAR 2012

City Council Members

Mayor: Dean Trefethen

Ward 1: Edward Spuler	Ward 5: Catherine Cheney
Ward 2: William Garrison	Ward 6: Michael Weeden
Ward 3: Michael Crago	At Large: Robert Carrier
Ward 4: Dorothea Hooper	At Large: Karen Weston

City Manager

J. Michael Joyal, Jr.

Departments

Finance	Daniel R. Lynch
Planning	Christopher G. Parker
Police	Anthony F.Colarusso, Jr.
Fire and Rescue	Richard Driscoll
Community Services	Douglas W. Steele, II
Public Library	Cathy Beaudoin
Recreation	Gary Bannon
Public Welfare	Lena C. Nichols

School Board

At Large: Rocky D'Andrea	At Large: Kathy Baker
At Large: Kenneth Appel	At Large: Paul Butler
At Large: Amanda Russell	At Large: Doris Grady
At Large: Betsey Andrews Parker	Student Rep: Matthew Palczynski

Superintendent of Schools

Jean Briggs Badger

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover
New Hampshire

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrill
President

Jeffrey R. Emer
Executive Director

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FINANCIAL SECTION

MACPAGE™

Accessible
Approachable
Accountable

Independent Auditors' Report

To the Mayor and City Council
City of Dover, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Dover's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 19 - 32, and Schedule of Funding Progress on page 78, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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An Independently Owned Member, McGladrey Alliance
McGladrey Alliance is a premier affiliation of independent accounting and consulting firms. McGladrey Alliance member firms maintain their respective names, autonomy, and management and are responsible for their own client fee arrangements, delivery of services, and maintenance of client relationships.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Dover, New Hampshire's financial statements as a whole. The introductory section on pages 1 - 14, supplementary statements and schedules on pages 85 - 134, and statistical tables on pages 137 - 162, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Macpage LLC

South Portland, Maine
December 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2012. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by $136,229,971 (i.e., net assets), a decrease of $3,478,759 in comparison to the prior year.

- As of the close of the current fiscal year, total of assets of governmental activities exceeded liabilities by $78,433,451 (i.e., net assets), a decrease of $3,357,760 in comparison to the prior year.

- At the end of the current year, total assets of business-type activities exceeded their liabilities by $57,796,520, a decrease of $120,999 in comparison to the prior year.

- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of $23,023,350, an increase of $4,167,106 in comparison with the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $7,285,807, an increase of $1,343,814 in comparison with the prior year.

- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was $90,544,288, a decrease of $3,184,310 in comparison to the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water and sewer utilities, and Dover Business and Industrial Development Authority (DBIDA) activities.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for both funds to demonstrate compliance with these budgets.

Proprietary funds Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water and sewer utilities, and DBIDA operations. The operations of the arena were previously accounted for as an enterprise fund. In FY 2009 the City dissolved the Arena Fund into the General Fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are used to account for central data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis. In FY2011 the City established an OPEB internal service fund to centrally account for pay-as-you go retirees' insurance costs paid by other departments in the city.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities, and DBIDA operations, all of which are considered to be major funds. The operations of the arena were previously reported as a propriety fund. In FY 2009 the City dissolved the Arena Fund into the General Fund.

In fiscal year 2010 the City changed the accounting in the DBIDA Fund for a building lease. The lease was formerly accounted for as a capital lease and starting in FY2010 the lease is reported as an operating lease. This resulted in capitalizing a building and related land improvements. In FY2012 the building and related land improvements were sold to the commercial business that occupied the facility.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the *Governmental Accounting Standards Board.*

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were $136,229,971, a decrease of $3,478,759 from the prior year.

Financial Position The following is a summary of condensed government-wide financial data of net assets for the current and the prior fiscal years.

NET ASSETS

Amounts presented in 000s

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Current and Other Assets	$ 31,959	$ 36,309	$ 14,431	$ 16,469	$ 54,017	$ 52,778
Capital Assets	152,029	150,805	67,740	69,927	213,708	220,732
Total Assets	$ 183,988	$ 187,114	$ 82,171	$ 86,396	$ 267,725	$ 273,510
Long-term Liabilities	$ 93,487	$ 100,971	$ 22,190	$ 22,149	$ 115,677	$ 123,120
Other Liabilities	8,710	7,710	2,063	6,450	10,773	14,160
Total Liabilities	$ 102,197	$ 108,681	$ 24,253	$ 28,599	$ 126,450	$ 137,280
Net Assets:						
Invested in Capital Assets	$ 84,864	$ 87,621	$ 50,765	$ 49,607	$ 135,629	$ 137,228
Restricted	3,756	3,832	1,694	-	5,450	3,832
Unrestricted	(6,829)	(13,020)	5,459	8,190	(1,370)	(4,830)
Total Net Assets	$ 81,791	$ 78,433	$ 57,918	$ 57,797	$ 139,709	$ 136,230

By far, the largest portion of net assets, $137,228,424 or 101.7 percent, reflects the City's investment in capital assets (e.g., land, buildings, machinery and equipment), less depreciation and any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets $3,831,773 represents resources that are subject to external restrictions on how they may be used. The remaining net balance (deficit) represents unrestricted net assets at the end of the fiscal year of $(4,830,226).

The unrestricted net asset balance consists of a deficit of $13,020,114 for governmental activities and a balance of $8,189,888 for business-type activities.

The governmental activities net assets include the reflection of major liabilities of the Tolend Road Landfill mitigation of $10,427,000, compensated absences of $3,181,263 and other post employment benefits (OPEB) obligations of $17,097,716.

The $10,427,000 for Tolend Road Landfill mitigation represents the mitigation costs and the post mitigation maintenance and monitoring costs. This is an increase of $7,868,621 from the prior year due to a revision in the estimate of post mitigation maintenance and monitoring costs. The City anticipates the remaining liability for mitigation costs of $107,000 to be financed with long-term debt which is included in the City's Capital Improvements Program. The maintenance and monitoring costs of $10,320,000 (30-year estimated cost) are expected to be financed within the annual operating budget, as needed.

The $3,181,263 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of $14,310 from the prior year. The City has funded $277,363 of the liability.

The $17,097,716 OPEB liability represents the implementation of Governmental Accounting Standards Board (GASB) Statement No. 45. The purpose of the statement is to reflect the liability of health care or other post employment benefits provided to separated or retired employees. The portion of the liability reflected in the Financial Statements is the initial seven years of a 30 year amortization of the total liability. City employees hired before specific dates may receive all or part of their health care benefits paid for by the City. City employees hired after the cut-off date are eligible on a self pay basis only but impact the premiums of the health plans of all City employees. School employees are self pay basis only but impact the premiums of the health plans of all School employees. The table below shows the number of eligible individuals involved in the calculation for both the City and School and the average total liability.

Group	Eligible Employees and Retirees	Average Total Liability per Person
City	319	$ 156,107.91
School	366	$ 3,522.41
Total	685	$ 159,630.32

Please refer to the Financial Statement footnote 17 and Required Supplemental Information for more on the OPEB liability.

Financial Results The following is a summary of condensed government-wide financial data of changes in net assets for the current fiscal and prior fiscal years.

CHANGE IN NET ASSETS

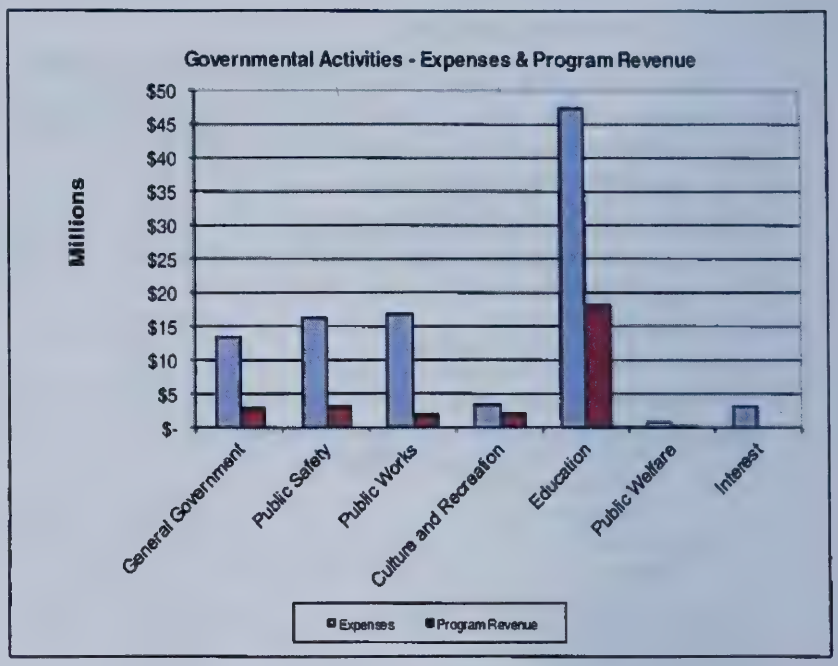
Amounts presented in 000s

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues:						
Program revenues:						
Charges for services	$ 14,141	$ 13,560	$ 9,012	$ 8,929	$ 23,153	$ 22,489
Operating grants and contributions	15,095	14,060	-	-	15,095	14,060
Capital grants and contributions	719	660	78	28	797	688
General revenues:					-	-
Property taxes	61,573	65,534	-	-	61,573	65,534
Motor vehicle registration	3,533	3,711	-	-	3,533	3,711
Penalties and interest on taxes	358	417	-	-	358	417
Investment income (loss)	720	(178)	7	3	727	(175)
Other	99	285	-	-	99	285
Gain (Loss) on sale of capital asset	-	-	-	38	-	38
Extraordinary Item	-	-	-	-	-	-
Total Revenues	96,238	98,049	9,097	8,998	105,335	107,047
Expenses:						
General government	13,154	13,361	-	-	13,154	13,361
Public safety	16,052	16,302	-	-	16,052	16,302
Public works	4,882	16,831	-	-	4,882	16,831
Culture and recreation	3,313	3,325	-	-	3,313	3,325
Education	48,790	47,520	-	-	48,790	47,520
Public Welfare	813	881	-	-	813	881
Intergovernmental	-	-	-	-	-	-
Interest on long-term debt	3,449	3,146	940	708	4,389	3,854
Miscellaneous	-	-	-	-	-	-
Water operations (1)	-	-	2,969	3,250	2,969	3,250
Sewer operations (1)	-	-	4,848	5,061	4,848	5,061
DBIDA operations	-	-	198	141	198	141
Total Expenses	90,453	101,366	8,955	9,160	99,408	110,526
Change in Net Assets before Transfers	5,785	(3,317)	142	(162)	5,927	(3,479)
Transfers in (out)	(82)	(41)	82	41	-	-
Change in Net Assets	5,703	(3,358)	224	(121)	5,927	(3,479)
Net Assets - beginning of year	76,088	81,791	57,694	57,918	133,782	139,709
Net Assets - end of year	$ 81,791	$ 78,433	$ 57,918	$ 57,797	$ 139,709	$ 136,230

(1) Excludes interest on long-term debt reflected separately.

Governmental activities Governmental activities for the year resulted in a decrease in net assets of $3,357,760. Governmental activities realized the following significant transactions:

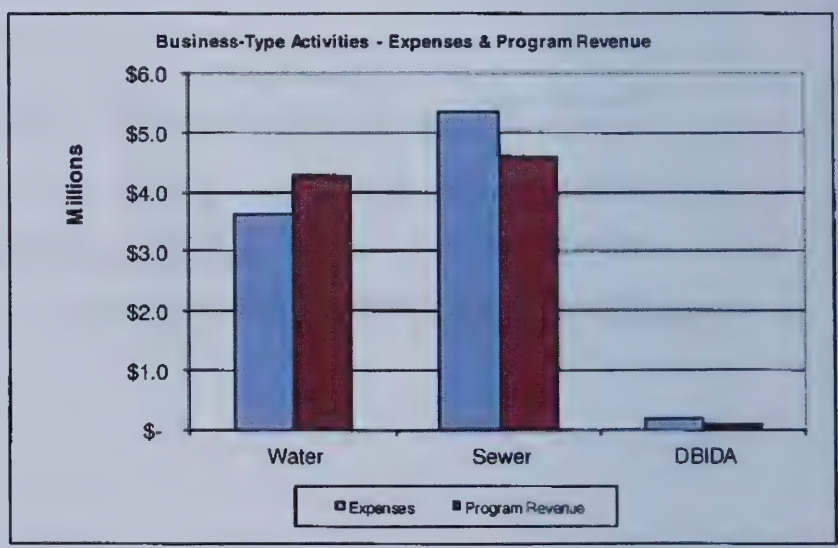
- General Fund excess of revenues over expenditures of $4.79 million.
- Acquisition of capital assets of $5.02 million.
- An increase in the OPEB Liability of $2.4 million.
- Debt service principal payments in excess of depreciation expense of $1.5 million.
- Increase in the Landfill Liability of $7.87 million.



Business-Type Activities Business-type activities for the year resulted in a decrease in net assets of $120,999 or 0.2%. Key elements of this change are as follows:

- The Water Fund increased net assets by $416,469 or 2.1%. This consists mainly of operating activities resulting in income of $1.0 million partially offset by a prior period adjustment of $335,191.

- The Sewer Fund had a decrease in net assets of $864,911 or 2.3%. This consists mainly of depreciation expense exceeding debt service principal payments by $386,015; and an operating loss of $488,702.



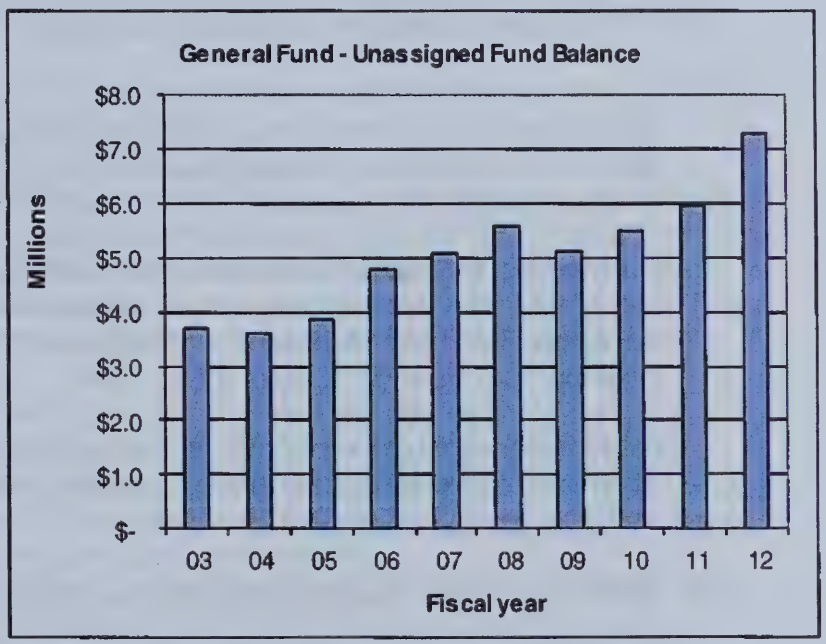
D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of $23,023,350, an increase of $4,167,106 in comparison with the prior year. The General Fund change consists of an increase in the unassigned fund balance of $1,343,814, an increase in committed and assigned balances of $579,878, and a decrease of $677 in nonspendable fund balance.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $7,285,806, while total fund balance was $10,333,906. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.21 percent of total general fund expenditures, while total fund balance represents 11.64 percent of that same amount.



The unassigned fund balance of the general fund increased by $1,343,814, or 22.6%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance of $1,606,592 from excess of revenues and other sources over expenditures and other uses, consisting of $394,318 of revenues under budget estimates (exclusive of Other Financing Sources) and $1,949,157 of expenditures under budget estimates (exclusive of Other Financing Uses).

Revenue shortfalls consist mainly of $54,240 in intergovernmental revenues, the major portion being a reduction in the City's allocation for State Highway Block Grant, $27,109 in sales and service charges, $180,415 in investment income revenue. Unencumbered appropriations consisted mainly of $273,834 for General Government, $667,690 for Public Works, $280,092 for Culture and Recreation, and $278,276 for Debt Service Interest. The School Department unencumbered appropriations of $314,547 offset a shortfall of $386,940 in education revenue, due mainly to a reduction in Tuition revenue.

- A decrease to fund balance of $173,059 for an increase in deferred property tax revenue.

- A decrease to fund balance of $16,781 for the increase in the reserve for advances to the McConnell Center Fund.

- An increase to fund balance of $330,012 for a decrease of carryover appropriations reserved for future years capital outlay. In accordance with City Charter, capital outlay appropriations shall continue in force for three years or until the purpose for which the appropriation was made has been completed, whichever time period is shorter.

Proprietary funds Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to $8,189,888. This amount consists of the Water Fund balance of $2,733,914, the Sewer Fund of $4,298,694, and the Dover Business and Industrial Development Fund (DBIDA) of $1,157,280.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget resulted in an overall increase in appropriations of $428,503. This consists of City Council adopted appropriations of $33,164 for City retirement contributions, $38,600 for School retirement contributions, $104,200 for abatements, and $252,737 increase for intergovernmental payment to the county.

Unspent General Fund appropriations were due to several factors including a self-imposed reduction in expenditures and a year-end level of under-expenditures (including transfers) of approximately 2.2%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets Capital assets for governmental and business-type activities at year-end amounted to $220,731,951 (net of accumulated depreciation), an increase of approximately $953,512 from the prior year. This investment in capital assets includes land, buildings and system improvements, and machinery and equipment. The following yearly comparison shows net capital assets by category:

Capital Assets (000s)
(net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2011	2012	2011	2012	2011	2012
Land	$ 14,169	$ 14,444	$ 1,990	$ 1,785	$ 16,159	$ 16,229
Buildings and improvements	70,457	75,454	20,729	17,980	91,186	93,434
Machinery and equipment	10,068	9,065	3,523	7,909	13,591	16,974
Infrastructure	27,232	32,803	37,862	42,090	65,094	74,893
Construction in Progress	30,102	19,039	3,636	162	33,738	19,201
Total Assets	$ 152,028	$ 150,805	$ 67,740	$ 69,926	$ 219,768	$ 220,731

Major capital asset events during the current fiscal year included the following:

- The increase to Land of the governmental activities relates to a $275,000 acquisition of Conservation Land.

- The increase to Building and improvements of the governmental activities relates mainly to energy efficiency improvements of $1,828,050 performed at City Hall, Ice Arena and McConnell Center, as well as the completion of the Horne Street Elementary School improvements for $4.2 million. These additions were offset by depreciation on older buildings/improvements.

- The governmental activities infrastructure change includes an addition of $3.6 million in street improvement projects to include acceptance of Beacon Circle, $3,446,309 for Washington Street – Cocheco River Bridge, and $185,000 for the Thompson Pool Bathhouse. These additions were offset by depreciation on older infrastructure.

- The governmental activities construction in progress relates mainly to $14,688,618 for the Tolend Road Landfill hazardous landfill mitigation project and $3,590,591 for the Cocheco River Dredge Cell project.

- The decrease to Land and Buildings of the Business-type activities is the result of DBIDA sale of $205,000 of Land and $1,994,525 of Building to a commercial entity that was leasing the building.

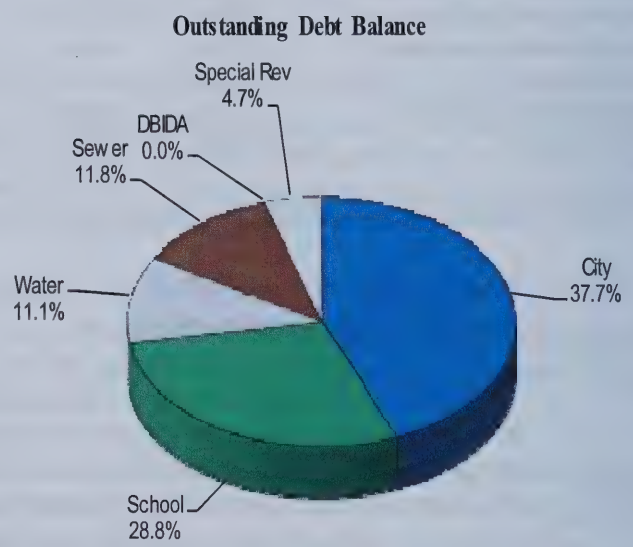
- There were additions to Machinery and Equipment of the businss-type activities of $558,314 for WWTP Aeration Blowers, $2,330,797 for Sludge Dewatering project, and $2,182,729 for River Street Pump Station. These additions were offset by depreciation on older machinery and equipment.

- There were additions to business-type activities infrastructure improvements of $1.4 million for sewer main improvements, $3,212,366 for North End Water Pressure Zone infrastructure, and $410,705 for water main improvements.

- The business-type activities construction in progress at the end of the year mainly relates to $134,414 for the Applevale Water Main.

Additional information on capital assets can be found in Note 9 of the Financial Statements.

Long-term debt At the end of the current fiscal year, total long- term debt outstanding was $90,544,288, a net decrease of $3,184,310 over the previous fiscal year end. All the long term debt was backed by the full faith and credit of the City except for the balance of an FY06 Dover Business and Industrial Development Authority flow through loan to a private firm from the NH Business Finance Authority. The Business Finance Authority loan was secured by a mortgage deed on property located in Enterprise Park. This property was sold in FY2012 and as part of the sales transaction the Business Finance Authority loan obligation was paid in full.



Long-term Debt (000s)

	Governmental Activities		Business-Type Activities		Totals	
	2011	2012	2011	2012	2011	2012
General Obligation Bonds	$ 72,238	$ 69,403	$ 19,292	$ 20,744	$ 91,530	$ 90,147
Other Long Term Debt	504	397	1,695	-	2,199	397
Total Long-term Debt	$ 72,742	$ 69,800	$ 20,987	$ 20,744	$ 93,729	$ 90,544

During fiscal year 2012, the City issued $9,000,000 in general obligation bonds; $4,800,000 related to governmental activities and $4,200,000 related to business-type activities. The City bonds were rated Aa3 by Moody's Investors Service and AA by Standard and Poor's Rating Group. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. Competitive bids were solicited and the City received 4 bids on May 16, 2012. Robert W. Baird & Co., Inc. was awarded the bid at a true interest cost of 2.345

percent. The bonds were dated May 24, 2012 and mature June 15, 2032. Bonds maturing on or prior to June 15, 2022 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2023 shall be subject to redemption prior to maturity at the option of the City.

On May 24, 2012 the City issued $8,530,000 in general obligation bonds to advance refund a portion of the City's $14,280,000 capital improvement general obligation bonds issued June 15, 2003 and a portion of the City's $9,832,000 capital improvement general obligation bonds issued June 15, 2004. The 2003 bonds were to mature June 15, 2024, with a true interest cost of 3.167 percent, in the aggregate principal amount of $5,205,000 maturing in the years 2014 through 2024. The 2004 bonds were to mature June 15, 2025, with a true interest cost of 4.154 percent, in the aggregate principal amount of $4,270,000 maturing in the years 2015 through 2025. The June 15, 2003 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2013 through June 15, 2024. The June 15, 2004 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2014 through June 15, 2025. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. The bonds were rated Aa3 by Moody's Investors Service and AA by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 4 bids on May 16, 2012. Robert W. Baird & Co., Inc was awarded the bid at a true interest cost of 2.345 percent. The refunding bonds were dated May 24, 2012 and mature June 15, 2024 and June 15, 2025 respectively. The refunding bonds are not subject to redemption prior to their stated maturity dates.

The proceeds of $8,530,000, plus a $79,221 cash contribution made by the City, $898,000 in unspent bond proceeds from the June 15, 2003 general obligation bonds, and $662,189 of reoffering premium after payment of $181,643 in underwriting fees and other issuance costs, were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the June 15, 2003 general obligation bonds in the aggregate principal amount of $5,205,000 and on the June 15, 2004 general obligation bonds in the aggregate principal amount of $4,270,000. As a result, the June 15, 2003 general obligation bonds maturing on or after June 15, 2014 are considered to be defeased and the $3,526,000 liability for those bonds has been removed from the general long-term debt account and the $1,679,000 liability for those bonds has been removed from the business-type activity funds. Additional as a result, the June 15, 2004 general obligation bonds maturing on or after June 15, 2015 are considered to be defeased and the $2,747,000 liability for those bonds has been removed from the general long-term debt account and the $1,523,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the June 15, 2003 and June 15, 2004 general obligation bonds to reduce its total debt service payments over the next 14 years by almost $608,339 and to obtain an economic gain of $512,855 representing the difference between the present values of the debt service payments on the old and new debt.

Additional information on long term debt can be found in Note 13 of the Financial Statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

General Fund Budget	FY12	FY13	Increase (Decrease)	% Change
City	34,257,924	35,001,079	743,155	2.2%
School	45,714,121	46,252,919	538,798	1.2%
County	7,303,817	7,521,254	217,437	3.0%
Total Budget	87,275,862	88,775,252	1,499,390	1.7%

The following table reflects the property tax levy amounts for each year.

Property Tax Levies	FY12	FY13	Increase (Decrease)	% Change
City	24,047,953	24,674,390	626,437	2.6%
School - Local	26,608,346	27,124,864	516,518	1.9%
School - State	6,389,999	6,568,079	178,080	2.8%
Total School	32,998,345	33,692,943	694,598	2.1%
County	7,303,817	7,521,254	217,437	3.0%
Total Tax Levy	64,350,115	65,888,587	1,538,472	2.4%

The following table reflects the property tax rates for each year. The tax rate is stated per $1,000 of assessed value.

Property Tax Rates	FY12	FY13	Increase (Decrease)	% Change
City	9.54	9.71	0.17	1.8%
School - Local	10.26	10.38	0.12	1.2%
School - State	2.50	2.55	0.05	2.0%
Total School	12.76	12.93	0.17	1.3%
County	2.82	2.88	0.06	2.1%
Total Tax Rate	25.12	25.52	0.40	1.6%

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

Utility Funds	FY12	FY13	Increase (Decrease)	% Change
Water Fund	4,336,199	4,709,762	373,563	8.6%
Sewer Fund	6,139,408	6,404,327	264,919	4.3%
Total Utility Funds	10,475,607	11,114,089	638,482	6.1%

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

Utility Rates	FY12	FY13	Increase (Decrease)	% Change
Water Fund	3.97	4.36	0.39	9.8%
Sewer Fund	5.43	5.78	0.35	6.4%
Combined Rates	9.40	10.14	0.74	7.9%

Discussions of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.dover.nh.gov

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Statement of Net Assets

June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	$ 28,662,113	$ 7,368,549	$ 36,030 662
Investments	2,984,404		2,984,404
Receivables, net of allowance for uncollectibles:			
Property taxes	4,392,786		4,392,786
User fees		3,582,313	3,582,313
Departmental and other	931,339		931,339
Intergovernmental	1,633,670	461,648	2,095,318
Internal balances	(3,251,167)	3,251,167	
Inventory	130,307	394,039	524,346
Other assets	173,341		173,341
Total current assets	35,656,793	15,057,716	50,714,509
Noncurrent:			
Intergovernmental receivables, net		154,722	154,722
Loans receivable, net	652,678		652,678
Investment in land		1,256,731	1,256,731
Capital assets:			
Land and construction in progress	33,497,613	1,947,433	35,445,046
Capital assets, net of accumulated depreciation	117,307,876	67,979,029	185,286,905
Total non-current assets	151,458,167	71,337,915	222,796,082
Total Assets	$ 187,114,960	$ 86,395,631	$ 273,510,591
LIABILITIES AND NET ASSETS			
Liabilities			
Current:			
Accounts payable	$ 688,650	$ 355,549	$ 1,044,199
Accrued liabilities	3,785,792	133,345	3,919,137
Retainage payable	144,669	452,581	597,250
Due to fiduciary funds	1,742,754		1,742,754
Unearned revenue		5,508,676	5,508,676
Other current liabilities	1,348,496		1,348,496
Current portion of long-term liabilities:			
Claims liability	421,130		421,130
Bonds and loans payable	6,871,400	2,026,500	8,897,900
Compensated absences	112,172	17,000	129,172
Total current liabilities	15,115,063	8,493,651	23,608,714
Noncurrent:			
Claims liability, net of current portion	44,151		44,151
Bonds and loans payable, net of current portion	62,928,488	18,717,900	81,646,388
Compensated absences, net of current portion	3,069,091	132,247	3,201,338
Other post-employment benefits liability	17,097,716	1,255,313	18,353,029
Liability for hazardous waste-site cleanup	10,427,000		10,427,000
Total non-current liabilities	93,566,446	20,105,460	113,671,906
Total Liabilities	108,681,509	28,599,111	137,280,620
Net Assets			
Invested in capital assets, net of related debt	87,621,792	49,606,632	137,228,424
Restricted for:			
Nonexpendable trust principal	1,848,043		1,848,043
Expendable trust principal	239,814		239,814
City and school department grants and projects	1,743,916		1,743,916
Unrestricted (Deficit)	(13,020,114)	8,189,888	(4,830,226)
Total Net Assets	78,433,451	57,796,520	136,229,971
Total Liabilities and Net Assets	$ 187,114,960	$ 86,395,631	$ 273,510,591

The accompanying notes are an integral part of these financial statements.

Statement of Activities

For the Year Ended June 30, 2012

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General government	$ 13,361,225	$ 1,577,067	$ 1,206,128	
Public safety	16,301,615	2,295,257	743,743	
Public works	16,831,168	1,181,907	74,623	$ 659,266
Culture and recreation	3,325,068	1,994,066	49,897	
Education	47,519,865	6,298,841	11,969,137	
Public welfare	880,622	213,255	16,396	985
Interest	3,146,142			
Total Governmental Activities	101,365,705	13,560,393	14,059,924	660,251
Business-Type Activities:				
Water services	3,618,587	4,272,878		
Sewer services	5,345,924	4,572,478		27,913
DBIDA services	195,493	83,157		
Total Business-Type Activities	9,160,004	8,928,513		27,913
Total	$ 110,525,709	$ 22,488,906	$ 14,059,924	$ 688,164
General Revenues:				
Property tax				
Motor vehicle registration tax				
Penalties and interest				
Unrestricted investment earnings (loss)				
Gain (loss) on the disposal of capital assets				
Other revenue				
Transfers in (out)				
Total general revenues				
Change in Net Assets				
Net Assets:				
Beginning of year, as restated				
End of year				

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
$ (10,578,030)		$ (10,578,030)
(13,262,615)		(13,262,615)
(14,915,372)		(14,915,372)
(1,281,105)		(1,281,105)
(29,251,887)		(29,251,887)
(649,986)		(649,986)
(3,146,142)		(3,146,142)
(73,085,137)		(73,085,137)
	$ 654,291	654,291
	(745,533)	(745,533)
	(112,336)	(112,336)
	(203,578)	(203,578)
(73,085,137)	(203,578)	(73,288,715)
65,534,332		65,534,332
3,710,058		3,710,058
417,100		417,100
(177,927)	3,146	(174,781)
	38,631	38,631
284,616		284,616
(40,802)	40,802	
69,727,377	82,579	69,809,956
(3,357,760)	(120,999)	(3,478,759)
81,791,211	57,917,519	139,708,730
$ 78,433,451	$ 57,796,520	$ 136,229,971

The accompanying notes are an integral part of these financial statements.

Governmental Funds

Balance Sheet

June 30, 2012

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and short-term investments	$ 26,014,578	$ 2,647,534	$ 28,662,112
Investments		2,984,404	2,984,404
Receivables, net of allowance for uncollectibles:			
Taxes	4,392,786		4,392,786
Departmental and other	563,716	997,252	1,560,968
Intergovernmental	127,506	826,373	953,879
Loans		652,678	652,678
Due from other funds		11,276,802	11,276,802
Advances to other funds	546,484		546,484
Inventory	3,144	66,315	69,459
Other assets	37,001		37,001
Total Assets	$ 31,685,215	$ 19,451,358	$ 51,136,573
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 276,672	$ 334,579	$ 611,251
Accrued liabilities	3,174,392	319,341	3,493,733
Retainage payable	12,372	132,301	144,673
Deferred revenues	3,633,226	745,029	4,378,255
Due to other funds	12,838,739	4,684,180	17,522,919
Advances from other fund		546,484	546,484
Compensated absences	67,412		67,412
Other liabilities	1,348,496		1,348,496
Total Liabilities	21,351,309	6,761,914	28,113,223
Fund Balances:			
Nonspendable	3,144	1,914,358	1,917,502
Restricted		8,828,062	8,828,062
Committed	823,847	4,787,852	5,611,699
Assigned	2,221,109		2,221,109
Unassigned	7,285,806	(2,840,828)	4,444,978
Total Fund Balances	10,333,906	12,689,444	23,023,350
Total Liabilities and Fund Balances	$ 31,685,215	$ 19,451,358	$ 51,136,573

The accompanying notes are an integral part of these financial statements.

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities in the Statement of Net Assets

June 30, 2012

Total governmental fund balances	$	23,023,350
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		150,805,489
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.		4,378,269
• Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.		902,891
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.		(282,853)
• Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable		(69,799,888)
Compensated absences		(3,069,091)
Liability for hazardous waste-site cleanup		(10,427,000)
Other Post-Employment Benefits (OPEB) liability		(17,097,716)
Net assets of governmental activities	$	78,433,451

The accompanying notes are an integral part of these financial statements.

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2012

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	$ 64,887,292	$ 95,886	$ 64,983,178
Licenses and permits	4,251,360	233,716	4,485,076
Intergovernmental	2,563,487	5,591,409	8,154,896
Current services	3,018,628	4,323,233	7,341,861
Education	12,424,970		12,424,970
Miscellaneous	210,094	482,714	692,808
Total Revenues	87,355,831	10,726,958	98,082,789
Expenditures:			
Current:			
General government	4,082,660	495,589	4,578,249
Public safety	12,277,684	2,021,774	14,299,458
Public works	5,308,473	3,516,589	8,825,062
Culture and recreation	2,979,609	887,328	3,866,937
Education	40,131,390	6,045,586	46,176,976
Public welfare	847,807	459,578	1,307,385
Intergovernmental - County tax	7,303,817		7,303,817
Debt service	9,625,901	1,313,400	10,939,301
Total Expenditures	82,557,341	14,739,844	97,297,185
Revenues over (under) expenditures	4,798,490	(4,012,886)	785,604
Other Financing Sources (Uses):			
Bond proceeds		4,800,000	4,800,000
Refunding bond issued	8,530,000		8,530,000
Refunding bond premium received	713,942		713,942
Payment to refunding bond escrow agent	(9,192,189)		(9,192,189)
Transfers in	137,624	1,456,977	1,594,601
Transfers out	(3,064,852)		(3,064,852)
Total Other Financing Sources (Uses)	(2,875,475)	6,256,977	3,381,502
Net change in fund balances	1,923,015	2,244,091	4,167,106
Fund Balances, at Beginning of Year	8,410,891	10,445,353	18,856,244
Fund Balances, at End of Year	$ 10,333,906	$ 12,689,444	$ 23,023,350

The accompanying notes are an integral part of these financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2012

Net Changes in Fund Balances - Total Governmental Funds	$	4,167,106
• Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay purchases		5,015,237
Depreciation		(6,238,384)
• Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in deferred revenue.		1,129,339
• The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets:		
Proceeds from debt issued		(4,800,000)
Repayments of debt		7,742,437
• In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.		35,017
• Some expenses reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Decrease in liability for compensated absences		2,588
Increase in liability for hazardous waste-site cleanup		(7,868,621)
Increase in OPEB liability		(2,445,196)
• Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities.		(97,283)
Changes in Net Assets of Governmental Activities	$	(3,357,760)

The accompanying notes are an integral part of these financial statements.

Statement of Revenues and Other Financing Sources, and Expenditures and Other Financing Uses - Budget and Actual - General Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Sources:				
Taxes	$ 63,683,847	$ 64,669,525	$ 64,888,852	$ 219,327
Licenses and permits	4,149,130	4,149,130	4,251,417	102,287
Intergovernmental	2,587,914	2,076,953	2,022,062	(54,891)
Current services	3,026,600	3,026,600	2,999,492	(27,108)
Education	12,800,610	12,754,376	12,367,437	(386,939)
Miscellaneous	502,297	502,317	286,424	(215,893)
Transfers	93,725	93,725	62,624	(31,101)
Total Revenues	86,844,123	87,272,626	86,878,308	(394,318)
Other Sources	75,000	75,000	9,318,942	9,243,942
Total Revenues and Other Sources	86,919,123	87,347,626	96,197,250	8,849,624
Expenditures and Other Uses:				
General Government				
City Council	357,044	363,844	363,770	74
Executive	771,813	765,013	714,244	50,769
Finance	1,594,571	1,593,371	1,523,765	69,606
Planning	451,089	452,289	452,205	84
Miscellaneous general government	779,563	883,565	730,264	153,301
Total General Government	3,954,080	4,058,082	3,784,248	273,834
Public Safety				
Police	6,560,818	6,393,856	6,358,832	35,024
Fire	6,358,146	6,418,272	6,415,141	3,131
Total Public Safety	12,918,964	12,812,128	12,773,973	38,155
Community Services - Public Works	5,518,808	5,518,808	4,851,118	667,690
Culture and Recreation				
Recreation	2,191,062	2,191,062	1,986,139	204,923
Public Library	1,056,980	1,056,980	981,810	75,170
Total Culture and Recreation	3,248,042	3,248,042	2,967,949	280,093
Public welfare	709,873	849,873	844,099	5,774
Education	41,638,606	41,677,206	41,362,659	314,547
Debt Service				
Principal	6,662,120	6,662,120	6,615,141	46,979
Interest	3,242,057	3,242,057	3,010,759	231,298
Total Debt Service	9,904,177	9,904,177	9,625,900	278,277
Intergovernmental - County tax	7,051,080	7,303,817	7,303,817	
Transfers	1,975,493	1,975,493	1,884,706	90,787
Total Expenditures	86,919,123	87,347,626	85,398,469	1,949,157
Other Uses			9,192,189	(9,192,189)
Total Expenditures and Other Uses	86,919,123	87,347,626	94,590,658	(7,243,032)
Revenues and other sources under expenditures and other uses	$ -	$ -	$ 1,606,592	$ 1,606,592

The accompanying notes are an integral part of these financial statements.

Proprietary Funds

Statement of Net Assets

June 30, 2012

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund	Total	Internal Service Funds
ASSETS					
Current:					
Cash and short-term investments	$ 3,776,750	$ 3,591,799	$ -	$ 7,368,549	
User fees, net of allowance for uncollectibles					
Billed	1,010,052	1,023,248		2,033,300	
Unbilled	787,702	761,311		1,549,013	
Departmental and other receivables					$ 53,611
Intergovernmental receivables	20,629	441,019		461,648	
Due from other funds	595,555	2,738,260		3,333,815	1,252,196
Prepaid expenses					136,342
Inventory	302,821	91,218		394,039	60,848
Total current assets	6,493,509	8,646,855	-	15,140,364	1,502,997
Noncurrent:					
Investment in land			1,256,731	1,256,731	
Intergovernmental receivable		154,722		154,722	
Capital assets:					
Land and construction in progress	822,944	1,103,910	20,579	1,947,433	
Other capital assets, net of accumulated depreciation	27,431,324	40,547,705		67,979,029	
Total noncurrent assets	28,254,268	41,806,337	1,277,310	71,337,915	
Total Assets	34,747,777	50,453,192	1,277,310	86,478,279	1,502,997
LIABILITIES					
Current:					
Accounts payable	245,712	108,290	1,547	355,549	79,560
Accrued liabilities	120,273	5,267	7,805	133,345	10,505
Retainage payable	238,022	214,559		452,581	
Unearned revenue	2,765,040	2,743,636		5,508,676	
Due to other funds			82,648	82,648	
Current portion of long-term liabilities:					
Claims liability					421,130
Bonds payable	978,000	1,048,500		2,026,500	
Compensated absences	5,000	12,000		17,000	44,760
Total current liabilities	4,352,047	4,132,252	92,000	8,576,299	555,955
Noncurrent:					
Claims liability, net of current portion					44,151
Bonds payable, net of current portion	9,105,800	9,612,100		18,717,900	
Compensated absences	60,202	64,594	7,451	132,247	
OPEB liability	712,555	542,758		1,255,313	
Total noncurrent liabilities	9,878,557	10,219,452	7,451	20,105,460	44,151
Total Liabilities	14,230,604	14,351,704	99,451	28,681,759	600,106
NET ASSETS					
Invested in capital assets, net of related debt	17,783,259	31,802,794	20,579	49,606,632	
Restricted for capital outlay					100,212
Unrestricted (deficit)	2,733,914	4,298,694	1,157,280	8,189,888	802,679
Total Net Assets	$ 20,517,173	$ 36,101,488	$ 1,177,859	$ 57,796,520	$ 902,891

The accompanying notes are an integral part of these financial statements.

Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Assets

For the Year Ended June 30, 2012

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund	Total	Internal Service Funds
Operating Revenues:					
Charges for services	$ 4,147,280	$ 4,428,586		$ 8,575,866	$ 1,453,261
Investment fees	69,499	143,892		213,391	
Other revenue	56,099		$ 83,157	139,256	330,649
Total Operating Revenues	4,272,878	4,572,478	83,157	8,928,513	1,783,910
Operating Expenses:					
Personal services	1,279,127	1,380,062	117,505	2,776,694	2,257,695
Purchased services	307,352	466,751	21,885	795,988	741,670
Supplies	597,892	749,928	1,816	1,349,636	123,217
Minor equipment	72,860	63,752		136,612	40,500
Depreciation	837,175	2,175,515		3,012,690	
Other expenses	155,142	225,172	96	380,410	250,959
Total Operating Expenses	3,249,548	5,061,180	141,302	8,452,030	3,414,041
Operating Income (Loss)	1,023,330	(488,702)	(58,145)	476,483	(1,630,131)
Nonoperating Revenues (Expenses):					
Investment income	1,607	1,536	3	3,146	
Gain (loss) on the disposal of capital assets	171,314	(107,268)	(25,415)	38,631	
Interest expense	(369,039)	(284,744)	(54,191)	(707,974)	
Total Nonoperating Revenues (Expenses), Net	(196,118)	(390,476)	(79,603)	(666,197)	-
Transfers in (out)	(75,552)	(13,646)	130,000	40,802	1,429,449
Intergovernmental Capital Contributions		27,913		27,913	103,399
Change in Net Assets	751,660	(864,911)	(7,748)	(120,999)	(97,283)
Net Assets at Beginning of Year, as Restated	19,765,513	36,966,399	1,185,607	57,917,519	1,000,174
Net Assets at End of Year	$ 20,517,173	$ 36,101,488	$ 1,177,859	$ 57,796,520	$ 902,891

The accompanying notes are an integral part of these financial statements.

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2011

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund	Total	Internal Service Funds
Cash Flows From Operating Activities:					
Receipts from customers and users for services	$ 6,156,360	$ 6,279,655		$ 12,436,015	$ 1,784,368
Receipts from customers and users for investment fees	125,598	143,892	$ 67,946	337,436	
Payments to vendors and contractors	(694,863)	(1,433,065)	(23,446)	(2,151,374)	(2,391,930)
Payments of employee salaries and benefits	(1,269,473)	(1,415,991)	(113,962)	(2,799,426)	(864,546)
Receipts for interfund service provided	434,913			434,913	(35,514)
Payments for interfund service provided		(1,144,672)	(197,928)	(1,342,600)	(25,226)
Net Change in Operating Activities	4,752,535	2,429,819	(267,390)	6,914,964	(1,532,848)
Cash Flows From Noncapital Financing Activities:					
Transfers in			130,000	130,000	1,464,794
Transfers out	(75,555)	(13,646)		(89,201)	(35,345)
Intergovernmental subsidy					103,399
Net Change in Noncapital Financing Activities	(75,555)	(13,646)	130,000	40,799	1,532,848
Cash Flows From Capital and Related Financing Activities:					
Purchases of capital assets and land for investment	(3,754,055)	(3,335,174)		(7,089,229)	
Capital contributions - federal and state grants		27,913		27,913	
Principal payments on bonds and notes	(250,200)		(1,694,773)	(1,944,973)	
Proceeds from bonds		1,703,100		1,703,100	
Proceeds from sale of fixed assets			1,905,322	1,905,322	
Gain (loss) on disposition of capital assets	171,314	(107,268)	(25,415)	38,631	
Interest expense	(369,039)	(284,744)	(54,191)	(707,974)	
Net Change in Capital and Related Financing Activities	(4,201,980)	(1,996,173)	130,943	(6,067,210)	-
Cash Flows From Investing Activities:					
Investment income	1,607	1,536	3	3,146	
Net Change in Investing Activities	1,607	1,536	3	3,146	-
Net Change in Cash and Short-Term Investments	476,607	421,536	(6,444)	891,699	
Cash and Short-Term Investments, Beginning of Year	3,300,143	3,170,263	6,444	6,476,850	
Cash and Short-Term Investments, End of Year	$ 3,776,750	$ 3,591,799	$ -	$ 7,368,549	$ -
Reconciliation of Operating Income to Net Change In Operating Activities:					
Operating income (loss)	$ 1,023,330	$ (488,702)	$ (58,145)	$ 476,483	$ (1,630,131)
Adjustments to reconcile operating income (loss) to net change in operating activities:					
Depreciation	837,175	2,175,515		3,012,690	
Changes in assets and liabilities:					
User fees	(389,824)	(271,919)		(661,743)	
Inventory	4,602	799		5,401	(5,210)
Departmental and other receivables	(20,629)	438,199		417,570	458
Interfund receivables and payables	434,913	(1,144,672)	(197,928)	(907,687)	(60,739)
Other assets					1,910
Accounts payable	131,700	(112,067)	351	19,984	50,361
Accrued liabilities	1,181	(17,821)	1,302	(15,338)	109,268
Unearned revenue	2,419,533	1,684,789	(15,211)	4,089,111	
Retainage payable	214,360	63,262		277,622	
Compensated absences	8,473	(18,108)	2,241	(7,394)	1,235
OPEB liability	87,721	120,544		208,265	
Net Change in Operating Activities	$ 4,752,535	$ 2,429,819	$ (267,390)	$ 6,914,964	$ (1,532,848)

Fiduciary Funds

Statement of Fiduciary Net Assets

June 30, 2012

	Agency Funds	Private Purpose Trust Funds
ASSETS		
Cash and short term investments	$ 296,883	
Due from other funds	961,734	$ 781,020
Total Assets	1,258,617	781,020
LIABILITIES AND NET ASSETS		
Other liabilities	1,258,617	
Total Liabilities	1,258,617	-
NET ASSETS		
Total Net Assets Held in Trust	$ -	$ 781,020

The accompanying notes are an integral part of these financial statements.

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2012

	Private Purpose Trust Funds
Additions:	
Investment earnings	$ 58,298
Total	58,298
Deductions:	
Disbursements by agent	18,461
Total deductions	18,461
Net increase	39,837
Net Assets:	
Beginning of year	741,183
End of year	$ 781,020

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Dover, New Hampshire (the City/Government) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The government is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and any applicable component units for which the government is considered to be financially accountable. In fiscal year 2012, it was determined that no entities met the required Governmental Accounting Standards Board (GASB) No. 39 criteria of component units.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Financial Statements

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the following major proprietary funds:

- The Water Fund accounts for the operation of a water treatment plant, city wells and water system
- The Sewer Fund accounts for the operation of a sewer treatment plant, pumping station and sewer lines.
- The Dover Business and Industrial Development Authority Fund (DBIDA) accounts for the economic development projects of the DBIDA, which operates under RSA 162-G.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Financial Statements – Continued

Additionally, the government reports the following fund type:

- Internal service funds account for data processing, fleet management services, workers compensation administration and claims, and OPEB expenses provided to other departments on the cost reimbursement basis.

Fiduciary funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, only report assets and liabilities, and thus have no measurement focus. The government also reports the following fiduciary funds:

- The Private-Purpose Trust Funds are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. Private Purpose Trust Funds held by the City include trust arrangements for Cemetery general care, Parks & Recreation program scholarships, Welfare benefits, and School scholarships.

Agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. Agency funds held by the City include the Chamber of Commerce, Performance Bonds, Department Agency, and School Agency.

As a general rule and per the City's policy, the effect of interfund activity has been eliminated from the government-wide financial statements. The reimbursements from other funds included in internal service funds revenue are eliminated on the government-wide level to remove the" doubling up" effect of internal service activity.

Cash and Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with appropriate state laws and regulations and is under the control of the New Hampshire Banking Commission. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes.

Investments are considered holdings of greater than three months and are reported at fair value.

City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the City Council shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings banks or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided, however, that said common trust funds shall be limited to the investments authorized in RSA 31:25; provided further, that not more than $10,000 or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve accounting applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventories

Inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. The costs of inventories is recorded as an expense when consumed rather than when purchased.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during 2012.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 – 40 years
Building improvements	40 years
Building systems	15 – 24 years
Infrastructure	20 – 40 years
Water/sewer infrastructure	24 – 50 years
Vehicles	8 – 15 years
Office equipment	7 – 20 years
Computer equipment	5 – 10 years
Land improvements	15 – 20 years
Machinery and equipment	5 – 15 years
Books and collections	5 years

Compensated Absences

Depending on the union, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which lapses at year end. Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2012 was $277,363. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Fund Balances

In the governmental fund financial statements fund balance is reported in five classifications.

Nonspendable fund balance	Nonspendable fund balance represent fund balance amounts that are not in spendable form, such as inventories and prepaid items or are legally or contractually required to be maintained intact.
Restricted	Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
Committed	Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit a fund balance.
Assigned	Resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or a body or official to which the City Council has delegated the authority to assign amounts for specific purposes. The City Council has by resolution authorized the City's department heads to assign fund balance or authorized by provisions in the City Charter.
Unassigned	Resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance amount. When fund balance is negative the amount is reported as unassigned.

The City's fund balance policy establishes that an amount equal to at least 8% of the City's most recent approved operating budget shall be established as a minimum unassigned fund balance.

The City has no formal revenue spending policy for programs with multiple revenue sources. The Finance Officer uses resources in the following hierarchy unless otherwise directed by Statute or Council: bond proceeds, federal funds and State funds, local non-city funds, city funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Recent Accounting Pronouncements

In November 2010, the GASB issued GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". This statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. It applies to financial reporting by primary governments and other stand-alone governments, and to the separately issued financial statements of governmental component units as defined in GASB Statement No. 14. The new statement is effective for financial statement periods beginning after June 15, 2012. The City is currently assessing the impact of this statement on its financial statements.

In June 2011, the GASB issued GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". This statement will require amounts reported as deferred outflows and inflows of resources to be reported in a separate section following assets and liabilities, respectively, in a new statement of net position. The new statement is effective for periods beginning after December 15, 2011. The City is currently assessing the impact of this statement on its financial statements.

In March 2012, the GASB issued GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. The new statement is effective for periods beginning after December 15, 2012. The City is currently assessing the impact of this statement on its financial statements.

In June 2012, the GASB issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement improves accounting and financial reporting by state and local governments for pensions. The new statement is effective for periods beginning after June 15, 2014. The City is currently assessing the report of this statement on its financial statements.

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 15th. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are legally adopted for the following funds: general, parking activity, residential solid waste, library fines, tuition programs, school alternative education, school facilities, McConnell Center, police DHA and school cafeteria. Proprietary funds with annually adopted budgets are water and sewer funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15th, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Board.

Notes to Financial Statements

June 30, 2012

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

The City Manager may transfer budgeted amounts within each non-school Department without City Council approval. The City Manager may transfer budgeted amounts between non-school Departments only after obtaining approval from the Council. The Superintendent of the School Department may transfer budgeted amounts within the Department as needed. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

Budgetary Basis

The General Fund's final appropriation appearing on the Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

General Fund	Revenues and other financing sources	Expenditures and other financing uses	Revenues and other financing sources over (under) expenditures and other financing uses
Revenues/expenditures (GAAP basis)	$87,355,831	$82,557,341	$ 4,798,490
Other financing sources/uses (GAAP basis)	9,381,566	12,257,041	(2,875,475)
	96,737,397	94,814,382	1,923,015
Reverse beginning of year appropriation carryforwards from expenditures		(876,748)	876,748
Reverse on-behalf payments	(539,864)	(539,864)	
Add end of year appropriation carryforwards to expenditures		1,823,019	(1,823,019)
Less expenditures from reserves and carryovers		(621,335)	621,335
Other adjustments	(283)	(8,796)	8,513
Budgetary Basis	$96,197,250	$ 94,590,658	$ 1,606,592

Notes to Financial Statements

June 30, 2012

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

Internal Services Funds	
Fleet maintenance	$ (16,026)
Workers Compensation	(380,739)

Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2012:

Nonmajor Govenmental funds		
Special Revenue Funds:		
Community Development	$ (260,957)	(A)
DOE Energy Efficiency	(130,466)	(A)
Police DHA Fund	(2,276)	(A)
Police DOT Fund	(12,863)	(A)
Homeland Security Fund	(92,846)	(A)
DHHS Assistance Programs	(52,563)	(A)
EPA Fund	(94,762)	(A)
Dover Main Street Fund	(3,203)	(A)
Police and Fire Detail	(18,606)	(A)
Tuition Programs	(6,228)	(A)
McConnell Center	(497,700)	(B)
Capital Project Funds:		
CIP FY07	(786,763)	(B)
CIP FY06	(1,374)	(B)
CIP FY05	(420,870)	(B)
CIP FY04	(109,011)	(B)
CIP FY03, FY02, FY01	(90,481)	(B)
Tolend Road Landfill Closure	(259,859)	(B)

(A) The deficits in these funds will be eliminated through the future grant reimbursements.

(B) The deficits in these funds will be eliminated through future departmental revenues and transfers from other funds.

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the City's deposits or investments were exposed to custodial credit risk.

Notes to Financial Statements

June 30, 2012

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

City Funds

The City's Investment Policy requires the use of security broker/dealers be based on credit-worthiness (a minimum capital requirement of $100,000,000 and at least five years of operation). Permitted investment per state law and the City's policy are U.S. Government Obligations, New Hampshire Public Deposit Investment Pool (NHPDIP), Certificates of Deposits in New Hampshire banks and overnight Repurchase Agreements whose underlying securities consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations. Financial institutions where funds are kept on deposit, in CDs or Repurchase Agreements must meet the following criteria:

- Minimum total assets of $100 million.
- Minimum of an average rating by a bank rating service.
- Minimum ratio of equity capital to total assets of 5%.
- Maximum ratio of non-performing assets to equity of 20%.

Full collateralization is required on non-negotiable CDs or overnight Repurchase Agreements. Repurchase Agreement collateral must consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations.

Maximum maturity for an investment of City funds is six months. As of June 30, 2012, the City's bank balance of $38,379,026 was fully insured or collateralized.

Trust Funds

The Investment Policy of the City's Board of Trustees of the Trust Funds permits deposits and investments in:

- Deposits in savings banks or the savings department of a national bank or trust company in the state of New Hampshire or in the NHPDIP.
- Shares of a building and loan association or cooperative bank, incorporated and doing business under New Hampshire law.
- Shares of any federal savings and loan association, located and doing business in New Hampshire.
- Certificates of deposits in New Hampshire.
- Bonds, notes or other obligations of the U.S. Government or the state, county, town, city, school district or water and sewer district.
- Stocks and bonds as are legal for investment by New Hampshire savings banks.
- Shares of mutual funds or money market mutual funds.

Notes to Financial Statements

June 30, 2012

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Trust Funds - Continued

- The Board of Trustees of Trust Funds' standard for investing Common Trust Funds is the Prudent Investor Rule in accordance with RSA 31:25-d. To comply with the provisions of the Prudent Investor Rule, the Board engaged the services of an investment advisor.

Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling. The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. In fiscal year 2012 the trust investments authorized to be managed by the Board's investment advisor were as follows:

Equity Investments

The Equity asset class may be comprised of individual securities, mutual funds and other pooled asset portfolios that are invested principally in equity securities of U.S. or international companies that have a proven record of earnings, growth, strong fundamentals and good valuations. These securities may be listed on registered exchanges, or actively traded in the over-the counter market, or considered to be restricted securities (provided that the percentage of the fund's assets invested in such securities conform to the investment instrument's prospectus).

Fixed Income Investments

The Fixed Income asset class may be comprised of individual securities, mutual funds and other pooled assets portfolios that are invested principally in fixed income securities rated investment grade or better (rated in one of the four highest rating categories by a National Recognized Statistical Rating Organization (NRSRO) at the time of purchase), or, if not rated, are determined to be of comparable quality by the Investment Advisor or a mutual fund manager.

Cash Equivalent Reserves

Cash equivalent reserves shall consist of money market mutual funds that comply with Rule 2a-7 under the Investment Company Act of 1940, as amended, or in the New Hampshire Public Deposit Investment Pool.

Investments as of June 30, 2012 consisted of:

		Investment Maturities (in Years)			
	Fair Value	1 - 5	6 - 10	More than 10	No Maturity
Corporate Bonds	$ 453,539	$283,377	$170,162		
Bond Funds	837,488				$ 837,488
Common Stock and Mutual Funds	1,453,518				1,453,518
Money Market, less than one year	239,859	239,859			
Total Investments	$2,984,404	$523,236	$170,162	$ -	$2,291,006

Notes to Financial Statements

June 30, 2012

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Cash Equivalent Reserves - continued

The City's investment in debt securities that require disclosure of credit risk were rated by Moody's as follows:

Fixed income corporate bonds $220,295—Aaa; Fixed income corporate bonds $233,245—Aa thru A3; Bond funds $14,667—Aaa and $50,718 below Aaa, with 25% of these funds (33% of the non-Aaa portion) rated A1 or better.

As of June 30, 2012, the City did not have investments in any one issuer that exceeded 5% of investments.

City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to U.S. Government Obligations and by splitting its short term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is as follows:

Approved Allocation Guidelines for Common Trust Assets

Cash	0% - 10%
Fixed Income	40% - 60%
Equities	40% - 60%
Inflation Hedge	0% - 10%

The Fixed Income allocation shall consist of 15% or less of high yield bond funds.

Common Trust Accumulated Income Assets

Cash	25% - 100%
Fixed Income	0% - 75%
Equities	0% - 35%

The Fixed Income allocation shall consist of no investment into high yield bond funds. Investment into Fixed Income and Equities investments is only at specific direction of the Board of Trustees of Trust Funds.

Capital Reserve Funds

Cash	5% - 100%
U.S. Treasuries	0% - 60%
AAA Government Agencies	0% - 60%

Notes to Financial Statements

June 30, 2012

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Capital Reserve Funds - continued

In fiscal year 2012 all Capital Reserve Funds' investments were fully collateralized.

- No more than 10% of the portfolio (cost basis including cash and investments) shall be invested in the obligations of any one entity, corporation or organization exclusive of U.S. government or agency obligations. A mutual fund will be considered one entity.
- No more than 20% (market value) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations thus avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities including the local government investment pool.

Trust Funds

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Trustees' investment advisor is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Trustees' investment advisor shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

Foreign Currency Risk

Specific investment in foreign securities is not permitted by either the City or Board of Trustees Investment Policies. Mutual Funds held by the Board of Trustees may have insignificant holdings in foreign securities.

The City and Board's policies also outline other specific investment criteria and are available for review at www.dover.nh.gov.

Notes to Financial Statements

June 30, 2012

NOTE 4 – TAXES RECEIVABLE

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes are due no earlier than December 1 and June 1, of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years.

Taxes receivable at June 30, 2012 are comprised of (in thousands):

Unredeemed taxes:	
Levy of fiscal year 2012	$ 3,040
Levy of fiscal year 2011	854
Levy of fiscal year 2010	427
Levy of fiscal year 2009	134
Levy of fiscal year 2008	44
Levy of fiscal year 2007	17
Levy of fiscal year 2006	11
Allowance for abatements	(176)
	4,351
Other taxes:	
Other miscellaneous taxes	42
	$ 4,393

NOTE 5 – DEPARTMENTAL AND OTHER RECEIVABLES

Departmental and other receivables, as reported in the governmental funds represent ambulance, police detail, current use receivables and other reimbursements.

	Ambulance	Conservation Fund	Residential Solid Waste	Other	Total
Gross	$ 1,186,534	$ 89,075	$ 59,125	$ 926,739	$ 2,261,473
Less allowance for doubtful accounts	(700,505)			-	(700,505)
	$ 486,029	$ 89,075	$ 59,125	$ 926,739	$ 1,560,968

Notes to Financial Statements

June 30, 2012

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of $127,506 reported in the general fund represents tuition revenue received from area school districts in July and August. The balance of $826,373 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Funds bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

	Reimbursement For		
Fiscal Year Ended June 30,:	Principal	Interest	Total
2013	$ 434,179	$ 6,840	$ 441,019
2014	15,355	6,240	21,595
2015	15,338	5,688	21,026
2016	15,304	5,078	20,382
2017	13,915	4,458	18,373
Thereafter	94,810	18,809	113,619
	$ 588,901	$ 47,113	$ 636,014

In the Sewer Enterprise fund, the City has accrued $6,840 of interest due in fiscal year 2012, along with all principal as Intergovernmental Receivables at June 30, 2012.

NOTE 7 – LOANS RECEIVABLE

Loans receivable of $652,678 in nonmajor governmental funds represent the uncollected balance of community development loans.

NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City maintains self-balancing funds; however, most cash transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount listed as advance to other funds which is due to the general fund is from the McConnell Center Fund relates to cash flow hardship, and is not scheduled to be collected in the subsequent year. The following is an analysis of the June 30, 2012 balances in interfund receivable and payable accounts:

Notes to Financial Statements

June 30, 2012

NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS – CONTINUED

Fund	Due From Other Funds	Due to Other Funds	Advance to Other Funds	Advance From Other Funds
General Fund		$ 12,838,739	$ 546,484	
Nonmajor Governmental Funds	$ 11,276,802	4,684,180		$ 546,484
Major Proprietary Funds:				
Enterprise Funds:				
Water	595,555			
Sewer	2,738,260			
DBIDA		82,648		
Nonmajor Proprietary Funds:				
Internal Service Funds	1,252,196			
Fidiciary Funds:				
Agency Funds	961,734			
Private Purpose Funds	781,020			
	$ 17,605,567	$ 17,605,567	$ 546,484	$ 546,484

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The following is an analysis of the June 30, 2012 interfund transfers:

Fund	**Transfers In**	**Transfers Out**
General Fund	$ 137,624	$ (3,064,852)
Nonmajor Governmental Funds	1,456,977	
Major Proprietary Funds:		
Enterprise Funds		
Water		(75,552)
Sewer		(13,646)
DBIDA	130,000	
Nonmajor Proprietary Funds		
Internal Service Funds	1,429,449	
Total Interfund Transfers	$ 3,154,050	$ (3,154,050)

Notes to Financial Statements

June 30, 2012

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows (reported in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	$ 103,298	$ 7,261		$ 110,559
Machinery, equipment and furnishings	28,254	870	$ (367)	28,757
Infrastructure	71,774	7,700		79,474
Total capital assets, being depreciated	203,326	15,831	(367)	218,790
Less accumulated depreciation:				
Buildings and improvements	(32,841)	(2,233)		(35,074)
Machinery, equipment and furnishings	(18,186)	(1,775)	326	(19,635)
Infrastructure	(44,542)	(2,231)		(46,773)
Total accumulated depreciation	(95,569)	(6,239)	326	(101,482)
Total capital assets, being depreciated, net	107,757	9,592	(41)	117,308
Capital assets, not being depreciated:				
Land	14,169	275		14,444
Construction in progress	30,101	3,270	(14,319)	19,052
Total capital assets, not being depreciated	44,270	3,545	(14,319)	33,496
Governmental Activities Capital Assets, Net	$ 152,028	$ 13,137	$ (14,360)	$ 150,805

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	$ 41,701	$ 11	$ (2,397)	$ 39,315
Machinery, equipment and furnishings	10,274	5,131	(32)	15,373
Infrastructure	60,408	5,502		65,910
Total capital assets, being depreciated	112,383	10,662	(2,429)	120,598
Less accumulated depreciation:				
Buildings and improvements	(20,973)	(1,013)	650	(21,336)
Machinery, equipment and furnishings	(6,751)	(744)	32	(7,462)
Infrastructure	(22,546)	(1,274)		(23,820)
Total accumulated depreciation	(50,269)	(3,032)	682	(52,619)
Total capital assets, being depreciated, net	62,114	7,630	(1,747)	67,979
Capital assets, not being depreciated:				
Land	1,990		(205)	1,785
Construction in progress	3,636	7,175	(10,649)	162
Total capital assets, not being depreciated	5,626	7,175	(10,854)	1,947
Business-Type Activities Capital Assets, Net	$ 67,740	$ 14,805	$ (12,601)	$ 69,926

Notes to Financial Statements

June 30, 2012

NOTE 9 – CAPITAL ASSETS – CONTINUED

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:	
General government	$ 229
Public safety	564
Public works	3,127
Education	1,798
Culture and recreation	519
Public welfare	2
Total Depreciation Expense - Governmental Activities	$ 6,239
Business-Type Activities:	
Water	$ 837
Sewer	2,176
DBIDA	19
Total Depreciation Expense – Business-Type Activities	$ 3,032

Construction Commitments:

Active construction in progress at June 30, 2012 and commitments outstanding consist of the following:

	Construction in Progress	Remaining Commitments
Government Activities:		
Tolend Road Landfill	$ 11,179,593	$ 266,750
Cocheco Dredge Cell	3,590,591	
Street Reconstruction – Applevale Area		1,922,851
Tolend Road – Landfill Closure	1,819,794	
Tolend Road – Bellamy Plume Trust	977,943	
Tolend Road – BioRemediation	711,288	
TIP – Cocheco River Bridge	696,568	
Horne Street School Improvements	56,717	215,862
Street Improvements		292,624
Silver Street Reconstruction	2,700	202,300
Various other construction projects	17,329	520,787
Total Governmental Activities	$ 19,052,522	$ 3,421,174
Business-Type Activities:		
Water Main - North End Water Pressure		$ 1,268,962
Sewer – WWTP Sludge Dewatering Equipment		996,105
Water – Wellhead Protection		308,804
Sewer – WWTP Outfall Improvements	$ 162,597	14,000
Sewer – Inflow and Infiltration Study		210,460
WWTP – River Street Pump Upgrade - ARRA		202,904
Water Main – Sixth Street		160,273
Various other sewer construction projects		299,734
Total Business-Type Activities	$ 162,597	$ 3,461,242

Notes to Financial Statements

June 30, 2012

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable represents fiscal year 2012 invoices paid in the subsequent fiscal year.

NOTE 11 – ACCRUED LIABILITIES

Accrued liabilities in the general fund represent salaries earned but unpaid to City and School employees at year-end.

NOTE 12 – DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the sum of all delinquent taxes at June 30, 2012 less property and unredeemed tax collections for the subsequent 60 days.

NOTE 13 – LONG-TERM DEBT

Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly the general fund, and also water, sewer, internal service, and other special revenue funds.

New Bond Issued and Debt Refunding

During fiscal year 2012, the City issued $9,000,000 in general obligation bonds; $4,800,000 related to governmental activities and $4,200,000 related to business-type activities. The City bonds were rated Aa3 by Moody's Investors Service and AA by Standard and Poor's Rating Group. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. Competitive bids were solicited and the City received 4 bids on May 16, 2012. Robert W. Baird & Co., Inc. was awarded the bid at a true interest cost of 2.345 percent. The bonds were dated May 24, 2012 and mature June 15, 2032. Bonds maturing on or prior to June 15, 2022 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after June 15, 2023 shall be subject to redemption prior to maturity at the option of the City.

On May 24, 2012 the City issued $8,530,000 in general obligation bonds to advance refund a portion of the City's $14,280,000 capital improvement general obligation bonds issued June 15, 2003 and a portion of the City's $9,832,000 capital improvement general obligation bonds issued June 15, 2004. The 2003 bonds were to mature June 15, 2024, with a true interest cost of 3.167 percent, in the aggregate principal amount of $5,205,000 maturing in the years 2014 through 2024. The 2004 bonds were to mature June 15, 2025, with a true interest cost of 4.154 percent, in the aggregate principal amount of $4,270,000 maturing in the years 2015 through 2025. The June 15, 2003 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2013 through June 15, 2024. The June 15, 2004 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2014 through June 15, 2025. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. The bonds were rated Aa3 by Moody's Investors Service and AA by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 4 bids on May 16, 2012. Robert W. Baird & Co., Inc was awarded the bid at a true interest cost of 2.345 percent. The refunding bonds were dated May 24, 2012 and mature June 15, 2024 and June 15, 2025 respectively. The refunding bonds are not subject to redemption prior to their stated maturity dates.

Notes to Financial Statements

June 30, 2012

NOTE 13 – LONG-TERM DEBT – CONTINUED

New Bond Issued and Debt Refunding – Continued

The proceeds of $8,530,000, plus a $79,221.30 cash contribution made by the City, $898,000 in unspent bond proceeds from the June 15, 2003 general obligation bonds, and $662,189 of reoffering premium after payment of $181,643 in underwriting fees and other issuance costs, were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the June 15, 2003 general obligation bonds in the aggregate principal amount of $5,205,000 and on the June 15, 2004 general obligation bonds in the aggregate principal amount of $4,270,000. As a result, the June 15, 2003 general obligation bonds maturing on or after June 15, 2014 are considered to be defeased and the $3,526,000 liability for those bonds has been removed from the general long-term debt account and the $1,679,000 liability for those bonds has been removed from the business-type activity funds. Additional as a result, the June 15, 2004 general obligation bonds maturing on or after June 15, 2015 are considered to be defeased and the $2,747,000 liability for those bonds has been removed from the general long-term debt account and the $1,523,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the June 15, 2003 and June 15, 2004 general obligation bonds to reduce its total debt service payments over the next 14 years by almost $608,339 and to obtain an economic gain of $512,855 representing the difference between the present values of the debt service payments on the old and new debt.

General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net assets invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

Description	Original Issue Amount	Rate	Maturity Date	Balance
Bonds Payable:				
Public improvements 1997	$ 1,002,327	4.8400%	8/15/12	$ 40,000
Public improvements 1999	4,137,500	4.1900%	1/15/13	440,000
Public improvements 1999	2,179,901	5.5100%	1/15/15	420,000
New Middle School 1999	15,741,027	5.5800%	1/15/20	4,267,119
Public improvements 2002	2,240,600	4.2300%	6/15/22	815,000
Public improvements 2003	14,280,000	3.1688%	6/15/24	915,000
Public improvements 2004	9,816,000	4.1148%	6/15/25	1,150,000
Public improvements 2005	10,740,000	3.8405%	6/15/26	6,680,000
Public improvements 2006	22,348,000	4.2313%	6/15/27	16,070,000
Public improvements 2007	20,646,000	4.5000%	6/15/27	14,965,000
Public improvements 2008	9,970,000	4.0935%	12/15/28	8,195,000
Public improvements 2009	12,799,000	3.4417%	4/1/30	11,225,000
Public improvements refunding 2009	8,790,000	2.1535%	6/30/21	7,435,000
Public improvements refunding 2012	17,530,000	2.3433%	6/15/32	17,530,000
Total Bonds Payable				90,147,119
Other Long-Term Debt:				
State revolving loan – Tolend landfill	1,271,357	3.5625%	6/1/13	169,514
CDFA Energy Improvement	250,000	2.4700%	12/31/20	227,655
Total Other Debt Outstanding				397,169
Total Long-Term Debt				$ 90,544,288

Notes to Financial Statements

June 30, 2012

NOTE 13 – LONG-TERM DEBT – CONTINUED

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2012 are as follows:

Governmental	Principal	Interest	Total
2013	$ 6,871,400	$ 3,239,002	$ 10,110,402
2014	6,682,110	3,032,426	9,714,536
2015	6,367,693	2,845,071	9,212,764
2016	6,144,418	2,653,558	8,797,976
2017	5,378,612	2,483,746	7,862,358
2018 - 2022	22,509,655	8,382,022	30,891,677
2023 - 2027	13,113,500	2,122,696	15,236,196
2028 - 2032	2,732,500	210,734	2,943,234
	69,799,888	24,969,255	94,769,143
Business-Type			
2013	2,026,500	774,067	2,800,567
2014	2,022,350	689,184	2,711,534
2015	1,974,150	619,265	2,593,415
2016	1,929,850	548,783	2,478,633
2017	1,729,950	480,906	2,210,856
2018 - 2022	6,602,600	1,594,682	8,197,282
2023 - 2027	3,486,500	570,776	4,057,276
2028 - 2032	972,500	92,543	1,065,043
	20,744,400	5,370,206	26,114,606
Total Future Debt Service	$ 90,544,288	$ 30,339,461	$ 120,883,750

The City's proprietary fund future debt service is partially funded by the state as described in Note 6. The governmental future debt service relating to school construction is partially funded by the New Hampshire Department of Education School Building Aid, which is annually appropriated by the state.

Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2012 are as follows:

Purpose	Amount
Tolend Road Landfill Remediation	$ 1,100,000
Public Improvements - FY10	200,000
Public Improvements - FY11	2,266,821
Public Improvements - FY12	5,800,000
Public Improvements - FY13	7,300,000
Public Improvements - FY10 Broadway	2,000,000
Public Improvements - FY10 Sewer	1,200,000
Public Improvements - FY10 - Sewer	279,157
	$ 20,145,978

Notes to Financial Statements

June 30, 2012

NOTE 13 – LONG-TERM DEBT – CONTINUED

Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2012 and related limitations. These limits are based on the tax year 2011 base valuations for debt limits of $2,714,253,993 provided by the State Department of Revenue Administration.

Purpose	Percent of State Assessed Value	Maximum Debt Limit	Applicable Bonds Outstanding at June 30, 2012
Municipal	3%	$ 81,427,620	$ 37,226,320
School	7%	189,997,780	26,097,769
Water	10%	271,425,399	10,083,800
DBIDA - IP	0%	4,000,000 *	
DBIDA - IB	0%	1,000,000	
DBIDA - Projects	8%	211,372,080	
Not subject to limitation	0%		17,136,399
			$ 90,544,288

**Debt limit is set by special legislation.*

Changes in General Long-Term Liabilities

During the year ended June 30, 2012, the following changes occurred in long-term liabilities (in thousands):

Governmental Activities	Total Balance 7/1/11	Additions	Reductions	Total Balance 6/30/12	Less Current Portion	Long-Term Portion 6/30/12
Claims liability	$ 358	$ 744	$ (637)	$ 465	$ (421)	$ 44
Bonds and loans payable	72,742	13,330	(15,272)	69,800	(6,871)	62,929
Other:						
Compensated absences	3,010	1,133	(962)	3,181	(112)	3,069
OPEB liability	14,652	3,663	(1,217)	17,098		17,098
Liability for hazardous waste-site cleanup	2,559	9,389	(1,521)	10,427		10,427
	$ 93,321	$ 28,259	$ (20,609)	$ 100,971	$ (7,404)	$ 93,567

Business-Type Activities	Total Balance 7/1/11	Additions	Reductions	Total Balance 6/30/12	Less Current Portion	Long-Term Portion 6/30/12
Bonds and loans payable	$ 20,986	$ 7,390	$ (7,632)	$ 20,744	$ (2,026)	$ 17,718
Other:						
Compensated absences	157	104	(111)	149	(17)	132
OPEB liability	1,047	281	(74)	1,255		1,255
	$ 22,190	$ 7,775	$ (7,817)	$ 22,148	$ (2,043)	$ 20,105

Notes to Financial Statements

June 30, 2012

NOTE 13 – LONG-TERM DEBT – CONTINUED

Contingent Debt Obligation

The net post-employment benefit obligation is liquidated by the proportional share of the obligation by the General Fund, Water Fund and Sewer Fund.

The City received funding for Sewer capital projects from the State of New Hampshire through a revolving renovation loan fund for which half of the amount drawn by the City will be covered by a Federal Stimulus Grant. The City will be obligated to repay one-half of the amount drawn over a period of 20 years plus interest at 3.27%. The City made the decision to defer the entire amount of the reimbursement until the loan agreements are finalized. As of June 30, 2012 the City has received $2,409,421 of reimbursements related to these projects.

The City received funding for Water capital projects from the State of New Hampshire through a revolving renovation loan fund. The City will be obligated to repay the amount drawn over a period of 20 years plus interest at 3.27%. The reimbursements received by the City, upon project completion, will be converted to a loan payable obligation. As of June 30, 2012 the City has received $2,696,458 of reimbursements related to these projects.

Defeased Debt

In June 2010 the City defeased a March 2001 general obligation bond. The proceeds from the new issuance of general obligation bonds were used to purchase U.S. governmental securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the refunded bonds matured in June 2011. As of June 30, 2012, there are no outstanding defeased debt obligations.

NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City owned and operated a 55-acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991, the Environmental Protection Agency issued a Record of Decision (ROD) on the closure of the site, including the City as a Potentially Responsible Party (PRP). The estimated cost of the original ROD for closure and post closure maintenance was $34,612,296. The City was responsible for 42.68% of the costs. The City negotiated its preliminary share at $8,166,666 of the first $20 million. Thirty-two PRPs made final settlement on all costs related to the closure with EPA. Based on this information, the City established an estimated $11,016,013 liability for its share of the capping and management of mitigation costs.

The City funded and paid its share of the capping design of $1,257,357. The City also funded the ongoing project costs over the years with $2,213,142 in transfers from operational funds, $2,900,000 from bond authorizations and $1,237,229 from various sources including state aid, insurance proceeds and a payment from the Town of Madbury.

The City entered negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves an air sparging trench along the down gradient edge of the landfill which will treat contaminated ground water. This alternative carries significant savings versus conventional capping. The City received approval for a pilot program to determine the effectiveness of this method. As a result, the City received a four-year deferral of the capping requirement from EPA.

An Amended Record of Decision (AROD) from EPA was issued on September 30, 2004 to change the closure method with an estimated cost of $19,393,859, including estimates for post closure maintenance. The City's new liability was estimated to be $8,663,966 for the alternative closure method using the same cost sharing percentage of 42.68%. This new estimate was $7,625,525 for the construction of the closure remedy and $1,038,441 for post closure maintenance.

Notes to Financial Statements

June 30, 2012

NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS – CONTINUED

Since FY2005 the $8,663,966 liability was reduced by the amount of annual expenditures incurred for the air sparge and soil vapor extraction closure remedy. These expenditures have been funded from bond proceeds.

In January 2012 the construction of the source control remedy was completed. This construction consisted of two separate components, the groundwater extraction system and the sewer conveyance system. The groundwater extraction system is designed to intercept contaminated groundwater emanating from beneath the former landfill; the groundwater is then conveyed to the City's wastewater treatment plant for treatment.

Based on the start-up operations of the groundwater extraction and sewer conveyance systems an estimate of anticipated annual operation and maintenance costs was established. The annual operations and maintenance costs are estimated at $800,000 annually with the City being responsible for 42.68% or $344,000. Therefore, the City has adjusted the landfill closure liability to reflect an estimate of $10,320,000 for 30 year estimate of post closure operations of the groundwater extraction and sewer conveyance systems. The City is still evaluating the need to operate the northwest air sparging system for another year, which the City's portion is estimated to cost $107,000. The City has $1.1 million of authorized unissued bonding authority to satisfy the anticipated future obligations.

The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations.

NOTE 15 – RESTRICTED NET ASSETS

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Outstanding Lawsuits

There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

County Assessment

City's property tax assessment is 27% of Strafford County's total assessment. Strafford County had a $533,432 unassigned General Fund Balance surplus on December 31, 2011, the most recent financial statements available.

Notes to Financial Statements

June 30, 2012

NOTE 17 – POST-EMPLOYMENT HEALTH CARE

GASB Statement 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of revenues, expenses, and changes in net assets when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

Plan Description

The City pays toward the cost of health care benefits for certain qualified retirees enrolled at the time of retirement and their eligible dependents (Retiree Group). The City will also pay toward the cost of health care benefits for certain current employees and eligible dependents upon retirement. The City provides post-employment health care benefits for retire employees through the City's single employer benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by NH RSA 100-A:50. The City has contracted with an actuarial consultant to provide the actuarial valuation of the City's OPEB liability under GASB 45. The Plan does not issue a separate audited financial report.

As of June 30, 2012, the actuarial valuation date, approximately 221 retirees and 94 active employees meet the eligibility requirements.

Benefits Provided

The City provides medical, dental, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents who meet certain eligibility criteria.

Current retirees have their health care benefit cost paid by the City if they retired while enrolled in the City's Group Health Insurance program and had a minimum of 20 years of continuous creditable service with the City. Current employees are eligible for City cost participation when they retire only if they meet the same enrollment and service criteria and were hired on or before May 30, 2000, depending on the bargaining unit.

Employees who retire from the City under the New Hampshire Retirement System (NHRS) and participated in the City's Group Health Insurance Program at the time of retirement, but who are not eligible for any City retiree health care benefit cost coverage may also join the Retiree Group. Coverage will continue for themselves and their eligible dependents at their own expense in accordance with state statute (NH RSA 100-A:50).

Funding Policy and On-Behalf Payments

Retirees contribute various percentages of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

The retiree health care benefit cost to the City is lessened by subsidies received by retirees from the NHRS. Health care benefit costs are reduced significantly upon a retiree or their dependents attaining the age of 65, at which time they become eligible for Medicare and are changed to a Medicare supplement plan.

Notes to Financial Statements

June 30, 2012

NOTE 17 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

Funding Policy and On-Behalf Payments – Continued

During the past 10 fiscal years, the City's cost of health care benefits to retirees, less any subsidies paid by the New Hampshire Retirement System and any withholdings from the retirees, was as follows:

Fiscal Year	Net City Cost
2012	$ 1,278,503
2011	952,117
2010	699,188
2009	655,613
2008	562,787
2007	499,660
2006	401,268
2005	334,247
2004	276,543
2003	108,733

For the fiscal year ended June 30, 2012, $539,864 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

Annual OPEB Costs and Net OPEB Obligation

The City's fiscal 2012 annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year ending June 30, 2012, the amount actually contributed to the plan and the change in the City's net OPEB obligation based on an actuarial valuation as of June 30, 2012.

Annual required contribution (ARC)	$ 4,223,243
Interest on net OPEB obligation	627,982
Adjustment to ARC	(907,908)
Annual OPEB cost	3,943,317
Contributions made	(1,289,855)
Increase in net OPEB obligation	2,653,462
Net OPEB obligation - beginning of year	15,699,567
Net OPEB obligation - end of year	$ 18,353,029

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Cost	Cost Contributed	Obligation
2012	$ 3,943,317	33%	$ 18,353,029
2011	3,765,850	36%	15,699,567
2010	3,765,850	28%	13,298,066

Notes to Financial Statements

June 30, 2012

NOTE 17 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

The City's net OPEB obligation as of June 30, 2012 is recorded as a liability on the Statement of Net Assets.

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2012, based on the June 30, 2012 actuarial valuation was as follows:

Actuarial accrued liability (AAL)	$ 51,092,223
Actuarial value of plan assets	
Unfunded actuarial accrued liability (UAAL)	$ 51,092,223
Funded ratio (actuarial value of plan assets (AAL))	0%
Covered payroll (active plan members)	$ 28,116,441
UAAL as a percentage of covered payroll	182%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the Plan as understood by the City and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation the projected unit credit cost method was used. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions included a inflation rate of 5.0%, 4.0% investment rate of return and an initial annual healthcare cost trend rate of 4.5%. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis.

NOTE 18 – SELF-INSURANCE

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Under the terms of its insurance coverage, the City is liable for $400,000 per incident. The insurer's limit of liability is $3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Notes to Financial Statements

June 30, 2012

NOTE 18 – SELF-INSURANCE – CONTINUED

Claims Liability

The following represents changes in the Workers' Compensation claims liability:

	Year Ended June 30, 2012	Year Ended June 30, 2011
Unpaid claims, beginning of fiscal year	$ 358,004	$ 326,324
Claims incurred (including IBNRs)	744,256	228,149
Claims paid	(636,979)	(196,469)
Unpaid claims, end of fiscal year	$ 465,281	$ 358,004

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of $465,281 claims liability as of June 30, 2012, $421,130 is estimated to be due within one year.

NOTE 19 – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

NOTE 20 – PENSION PLAN

The City follows the provisions of GASB Statement No. 27, Accounting for Pensions for State and Local Government Employees, with respect to the employees' retirement funds.

Plan Description

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A41-a of New Hampshire Law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the New Hampshire Retirement System at 54 Regional Drive, Concord, NH 03301-8507.

Funding Policy and On-Behalf Payments

Plan members are required to contribute to the pension plan based on their annual covered compensation. The rates for member contributions is statutorily defined by Revised Statutes Annotated 100-A:16. The City and State also make annual contributions to the pension plan equal to the amount required. The New Hampshire Retirement System establishes the employers' contributory rates every two years. Effective in FY2012, the State no longer makes contributions on–behalf of teachers, firefighters and police officer members. The employer pays 100% of the total employer normal contribution for teachers, firefighters, police officers and employee members. The following table reflects the contribution rates (percent of compensation) during fiscal year 2012 for the members, the City and the State.

Notes to Financial Statements

June 30, 2012

NOTE 20 – PENSION PLAN – CONTINUED

Funding Policy and On-Behalf Payments – Continued

Group	Contribution Rates		
	Members	City	State
I Teachers	7.00%	11.30%	0.00%
I Employees	7.00%	8.80%	0.00%
II Police	11.55%	19.95%	0.00%
II Fire	11.80%	22.89%	0.00%

Contributions to the System were as follows:

Year Ended	The City	Plan Members	Total
2012	$ 4,531,590	$ 2,686,809	$ 7,218,399
2011	3,892,913	2,064,465	5,623,359
2010	3,315,944	2,025,750	5,341,694
2009	2,860,685	2,033,616	4,894,301
2008	2,936,651	2,075,111	5,011,762
2007	2,032,898	2,185,757	4,218,655
2006	2,006,390	2,156,406	4,162,796
2005	1,713,819	1,919,101	3,632,920
2004	1,655,035	1,865,872	3,520,907
2003	1,133,880	1,786,910	2,920,790

For the fiscal year ended June 30, 2012, there was no on-behalf payment received from the state.

NOTE 21 – OPERATING LEASE REVENUE

The City leases office space in the McConnell Center to several organizations. The leases expire at various years through the year 2031. The cost of the assets held for lease as of June 30, 2012 was $8,085,810, accumulated depreciation was $870,338 and the net book value was $7,215,472. Approximately 35% of the square footage of the building is being leased to third parties with the remainder of the building being used by the City. Future non-cancelable lease revenue under these leases as of June 30, 2012 is as follows:

Year Ending	Amount
2013	$ 224,798
2014	172,158
2015	168,653
2016	158,409
2017	149,899
Thereafter	988,554
Total	$ 1,862,471

Notes to Financial Statements

June 30, 2012

NOTE 22 – FUND BALANCE

The following is a schedule of fund balance classifications for the governmental funds as of June 30, 2012:

	General Fund	Nonmajor Governmental Funds
Nonspendable		
Permanent funds		$ 1,848,043
Inventory	$ 3,144	66,315
	3,144	1,914,358
Restricted		
Permanent funds income		239,814
Emergency management fund		399,302
Conservation fund		365,916
Capital projects funds		6,844,332
Other grants and donations		978,698
		8,828,062
Committed		
City benefit capital service	217,360	
School benefit capital reserve	60,003	
McConnell Center long-term advance	546,484	
Recreation programs funds		337,748
Other special revenue funds		2,383,756
Recreation field construction		746,616
Capital purchases fund		693,907
Other purposes		625,825
	823,847	4,787,852
Assigned		
Encumbrances – city	942,861	
Encumbrances – school	891,961	
Carryover appropriations	386,287	
	2,221,109	
Unassigned	7,285,806	(2,840,828)
Total Fund Balances	$10,333,906	$ 12,689,444

NOTE 23 – NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable adding back any unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net assets invested in capital assets, net of related debt was calculated as follows at June 30, 2012:

Notes to Financial Statements

June 30, 2012

NOTE 23 – NET ASSETS

(In thousands)	Governmental Activities	Business-Type Activities
Capital assets	$ 252,287	$ 122,544
Accumulated depreciation	(101,481)	(52,618)
Bonds payable, total	(69,800)	(20,744)
Unspent bond proceeds	6,616	5,866
Deferred revenue*		(5,441)
Total invested in capital assets, net of related debt	$ 87,622	$ 49,607

* The City received funding for Water and Sewer Fund capital projects from the State of New Hampshire through a revolving renovation loan fund. The reimbursements received by the City have been recorded as deferred revenue and will be converted to a loan payable obligation upon completions of the projects. Refer to Note 13 for additional information.

NOTE 24 – PRIOR PERIOD ADJUSTMENT

A restatement was made to beginning net assets, as a result of the identification of revenue that should have been recorded as deferred revenue. The following schedules show the effect of the restatement on the net assets of Business-Type Activities and on the net assets of the Water Fund:

(In thousands)	Business-Type Activities
Beginning net assets, as previously stated	$ 58,253
Less: Deferred revenue adjustment	(335)
Beginning net assets, as restated	$ 57,918

	Water Fund
Beginning net assets, as previously stated	$ 20,101
Less: Deferred revenue	(335)
Beginning net assets, as restated	$ 19,766

Schedule of Funding Progress
Required Supplementary Information

June 30, 2012

Other Post-Employment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2012	-	$ 51,092,223	$ 51,092,223	0.0%	$ 28,116,441	181.7%
7/1/2011	-	42,239,664	42,239,664	0.0%	31,709,755	133.2%
7/1/2010	-	42,171,618	42,171,618	0.0%	29,100,644	144.9%
7/1/2009	-	42,669,587	42,669,587	0.0%	28,725,197	148.5%
7/1/2008	-	40,449,724	40,449,724	0.0%	27,170,669	148.9%
7/1/2007	-	33,584,481	33,584,481	0.0%	N/A	N/A
7/1/2006	-	31,256,403	31,256,403	0.0%	N/A	N/A

N/A – Not available at time of publication.

Combining Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- **Community Development Fund** – To account for grant proceeds received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and subgrant expenditures.

- **CDBG Recovery Fund** – To account for the ARRA grant proceeds related to the CDBG program.

- **Housing Rehabilitation Loan Fund** – To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.

- **Economic Development Loan Fund** – To account for loans given to small business for the purpose of business establishment or expansion.

- **DOE Energy Efficiency Fund** – To account for grant proceeds from the U.S. Department of Education for energy efficiency projects.

- **Police DOJ Fund** – To account for grant proceeds from the U.S. Department of Justice for various drug and alcohol awareness and prevention programs.

- **Homeland Security Fund** – To account for grant proceeds from the U.S. Department of Homeland Security for equipment purchases.

- **Police DHA Fund** – To account for funds received from the Dover Housing Authority for payment toward funding a Police Officer presence at their housing area.

- **Police DOT Fund** – To account for grant proceeds from the U.S. Department of Transportation for various driving safety programs.

- **DHHS Assistance Programs** – To account for grant proceeds for at-risk youth in the community passed through Department of Health and Public Welfare.

- **Police Tobacco Fund** – To account for grant proceeds for various tobacco awareness and prevention programs.

- **Emergency Management Fund** – To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.

- **Radiology Emergency Response–** To account for grant proceeds related to emergency preparedness for Seabrook radiology response.

- **DOI Fund** – To account for grant proceeds from the U.S. Department of Interior for various programs.

- **EPA Fund** – To account for grant proceeds from the U.S. Environmental Protection Agency for various programs.

- **School Cafeteria Fund** – To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Department of Education and receipt of U.S. Department of Agriculture food commodities.

- **School Federal Aid Fund** – To account for grants received from the U.S. Department of Education for various programs supporting School operations.

- **School Special Programs Fund** – To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.

- **Dover Main Street Fund** – To account for the expenditures related to the Main Street Program, reimbursed by Dover Main Street, Inc.

- **Planning Improvements Fund** – To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.

- **Police and Fire Detail** – To account for police and fire outside detail activity.

- **Parking Activity Fund** – To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.

- **Police Special Fund** – To account for forfeiture proceeds and special investigative expenditures.

- **SRT Fund** – To account for special purpose grants awarded to the fire department.

- **Conservation Fund** – To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.

- **Residential Solid Waste Fund** – To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures or residential solid waste pickup and disposal.

- **McConnell Center Fund** – To account for the operations and maintenance of the McConnell Center facility and revenues from the leasing of space to 501(c)3 organizations and City and State organizations.

- **Recreation Programs Fund** – To account for the revenue and expenditures of self-supporting recreational programs.

- **Recreation Field Maintenance Fund** – to account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.

- **Library Fines Fund** – To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.

- **Tuition Programs Fund** – To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.

- **Vocational Center Fund** – To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.

- **School Alternative Education Fund** – To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.

- **School Facilities Fund** – To account for gate receipts used toward the cost of facility maintenance and upgrades.

- **Other Special Revenue Funds** – To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

Capital Project Funds

- **CIP FY13** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2013 of the Capital Improvements Program.

- **CIP FY12** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2012 of the Capital Improvements Program.

- **CIP FY11** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2011 of the Capital Improvements Program.

- **CIP FY10** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2010 of the Capital Improvements Program.

- **CIP FY09** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2009 of the Capital Improvements Program.

- **CIP FY08** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.
- **CIP FY07** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.

- **CIP FY06** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.

- **CIP FY05** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.

- **CIP FY04** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.

- **CIP FY03** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.

- **CIP FY02** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.

- **CIP FY01** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.

- **CIP FY00** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.

- **Tolend Road Landfill Closure** – To account for the revenues from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.

- **Cocheco River Dredge** – To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.

- **Recreation Field Construction** – To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.

- **Capital Purchases Fund** – To account for revenue transferred from the general fund for the purpose of capital acquisitions.

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2012

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing Rehab Loan Fund	Economic Development Loan Fund	DOE Energy Efficiency Fund
ASSETS					
Cash and short-term investments					
Investments					
Departmental receivable					
Intergovernmental receivables					
Loans receivable			$ 236,205	$ 416,473	
Due from other funds		$ 117,194	76,116	25,723	
Inventory					
Total Assets	$ -	$ 117,194	$ 312,321	$ 442,196	$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 16,442		$ 85	$ 154	
Accrued liabilities	6,417				
Retainage payable	2,404	$ 7,447			$ 41,838
Deferred revenue			236,411	415,711	
Due to other funds	235,694				88,628
Advance from other fund					
Compensated absences					
Total Liabilities	260,957	7,447	236,496	415,865	130,466
Fund Balances:					
Nonspendable					
Restricted		109,747	75,825	26,331	
Committed					
Assigned					
Unassigned	(260,957)				(130,466)
Total Fund Balances (Deficit)	(260,957)	109,747	75,825	26,331	(130,466)
Total Liabilities and Fund Balances	$ -	$ 117,194	$ 312,321	$ 442,196	$ -

	Special Revenue Funds							
	Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund	Radiology Emergency Response
	$ 1,297						$ 24,882	
	76,344					$ 7,102	374,420	$ 36,879
	$ 77,641	$ -	$ -	$ -	$ -	$ 7,102	$ 399,302	$ 36,879
	$ 870		$ 2,152		$ 3,285	$ 315		
		$ 92,846	124	$ 12,863	49,278			
	870	92,846	2,276	12,863	52,563	315		-
	76,771					6,787	399,302	$ 36,879
		(92,846)	(2,276)	(12,863)	(52,563)			
	76,771	(92,846)	(2,276)	(12,863)	(52,563)	6,787	399,302	36,879
	$ 77,641	$ -	$ -	$ -	$ -	$ 7,102	$ 399,302	$ 36,879

	Special Revenue Funds				
	DOI Fund	EPA Fund	School Cafeteria Fund	School Federal Aid Fund	School Special Programs Fund
ASSETS					
Cash and short-term investments					
Investments					
Departmental receivable					
Intergovernmental receivables			$ 293,528	$ 437,276	$ 69,390
Loans receivable					
Due from other funds	$ 8,526				
Inventory			34,084		
Total Assets	$ 8,526	$ -	$ 327,612	$ 437,276	$ 69,390
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable			$ 152		
Accrued liabilities				$ 149,945	$ 59,261
Retainage payable					
Deferred revenue					3,832
Due to other funds		$ 94,762	29,592	284,141	1,936
Advance from other fund					
Compensated absences					
Total Liabilities	-	94,762	29,744	434,086	65,029
Fund Balances:					
Nonspendable			34,084		
Restricted	$ 8,526		263,784	3,190	4,361
Committed					
Assigned					
Unassigned		(94,762)			
Total Fund Balances (Deficit)	8,526	(94,762)	297,868	3,190	4,361
Total Liabilities and Fund Balances	$ 8,526	$ -	$ 327,612	$ 437,276	$ 69,390

Special Revenue Funds							
Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	SRT Fund	Conservation Fund	Residential Solid Waste Fund
			$ 138,800				
$ 3,743	$ 18,286	$ 57,730	8,961			$ 89,075	$ 59,125
	206,850			$ 47,303	$ 72,645	365,916	755,132
							32,231
$ 3,743	$ 225,136	$ 57,730	$ 147,761	$ 47,303	$ 72,645	$ 454,991	$ 846,488
	$ 3,799		$ 962				$ 73,672
		$ 2,813	3,529				1,994
						$ 89,075	
$ 6,946		73,523	4,314				540,306
6,946	3,799.00	76,336	8,805	-	-	89,075	615,972
							32,231
	221,337			47,303	72,645	365,916	
			138,956				198,285
(3,203)		(18,606)					
(3,203)	221,337	(18,606)	138,956	47,303	72,645	365,916	230,516
$ 3,743	$ 225,136	$ 57,730	$ 147,761	$ 47,303	$ 72,645	$ 454,991	$ 846,488

	Special Revenue Funds				
	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Tuition Programs Fund
ASSETS					
Cash and short-term investments					
Investments					
Departmental receivable	$ 64,261	$ 100			$ 853
Intergovernmental receivables					
Loans receivable					
Due from other funds		350,088	$ 31,674	$ 29,118	
Inventory					
Total Assets	$ 64,261	$ 350,188	$ 31,674	$ 29,118	$ 853
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 14,461	$ 5,504	$ 4,953	$ 3,906	
Accrued liabilities	1,016	6,936			
Retainage payable					
Deferred revenue					
Due to other funds					$ 7,081
Advance from other fund	546,484				
Compensated absences					
Total Liabilities	561,961	12,440	4,953	3,906	7,081
Fund Balances:					
Nonspendable					
Restricted				25,212	
Committed		337,748	26,721		
Assigned					
Unassigned	(497,700)				(6,228)
Total Fund Balances (Deficit)	(497,700)	337,748	26,721	25,212	(6,228)
Total Liabilities and Fund Balances	$ 64,261	$ 350,188	$ 31,674	$ 29,118	$ 853

Special Revenue Funds					Capital Projects Funds				
Vocational Center Fund	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals	CIP FY 13	CIP FY 12	CIP FY 11	CIP FY10	CIP FY09
			$ 1,944,827	$ 2,083,627					
			2,984,404	2,984,404					
	$ 7,284	$ 4,552	683,282	997,252					
				826,373					
				652,678					
$ 906	462,583	238,123		3,282,642	$ 750,000	$ 887,676	$ 1,803,972	$ 264,509	$ 1,247,669
				66,315					
$ 906	$ 469,867	$ 242,675	$ 5,612,513	$ 10,893,291	$ 750,000	$ 887,676	$ 1,803,972	$ 264,509	$ 1,247,669
	$ 747	$ 1,274	$ 2,341	$ 135,074	$ 2,700	$ 191,200			
	87,430			319,341					
				51,689		18,500	$ 32,346	$ 18,995	$ 8,634
				745,029					
	361,134		1,138,559	3,021,727					
				546,484					
-	449,311	1,274	1,140,900	4,819,344	2,700	209,700	32,346	18,995	8,634
			1,848,043	1,914,358					
			239,814	1,983,730	747,300	677,976	1,771,626	245,514	1,239,035
$ 906	20,556	241,401	2,383,756	3,348,329					
				(1,172,470)					
906	20,556	241,401	4,471,613	6,073,947	747,300	677,976	1,771,626	245,514	1,239,035
$ 906	$ 469,867	$ 242,675	$ 5,612,513	$ 10,893,291	$ 750,000	$ 887,676	$ 1,803,972	$ 264,509	$ 1,247,669

	Capital Projects Funds					
	CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03
ASSETS						
Cash and short-term investments						
Investments						
Departmental receivable						
Intergovernmental receivables						
Loans receivable						
Due from other funds	$ 1,767,980					
Inventory						
Total Assets	$ 1,767,980	$ -	$ -	$ -	$ -	$ -
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable						
Accrued liabilities						
Retainage payable	$ 1,837					$ 300
Deferred revenue						
Due to other funds		$ 786,763	$ 1,374	$ 420,870	$ 109,011	26,106
Advance from other fund						
Compensated absences						
Total Liabilities	1,837	786,763	1,374.00	420,870	109,011	26,406
Fund Balances:						
Nonspendable						
Restricted	1,766,143					
Committed						
Assigned						
Unassigned		(786,763)	(1,374)	(420,870)	(109,011)	(26,406)
Total Fund Balances (Deficit)	1,766,143	(786,763)	(1,374)	(420,870)	(109,011)	(26,406)
Total Liabilities and Fund Balances	$ 1,767,980	$ -	$ -	$ -	$ -	$ -

Capital Projects Funds							Capital Projects Funds	
CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Subtotals	Total
						$ 563,907	$ 563,907	$ 2,647,534
								2,984,404
								997,252
								826,373
								652,678
	$ 98,177			$ 298,561	$ 745,616	130,000	7,994,160	11,276,802
								66,315
$ -	$ 98,177	$ -	$ -	$ 298,561	$ 745,616	$ 693,907	$ 8,558,067	$ 19,451,358
			$ 5,605				$ 199,505	$ 334,579
								319,341
							80,612	132,301
								745,029
$ 2,913		$ 61,162	254,254				1,662,453	4,684,180
								546,484
2,913	-	61,162	259,859	-	-	-	1,942,570	6,761,914
								1,914,358
	$ 98,177			$ 298,561			6,844,332	8,828,062
					$ 745,616	693,907	1,439,523	4,787,852
(2,913)		(61,162)	(259,859)				(1,668,358)	(2,840,828)
(2,913)	98,177	(61,162)	(259,859)	298,561	745,616	693,907	6,615,497	12,689,444
$ -	$ 98,177	$ -	$ -	$ 298,561	$ 745,616	$ 693,907	$ 8,558,067	$ 19,451,358

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For Fiscal Year Ended June 30, 2012

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing Rehab Loan Fund	Economic Development Loan Fund	DOE Energy Efficiency Fund
Revenues:					
Taxes					
Licenses and permits					
Intergovernmental	$ 396,640	$ 108,138			$ 12,614
Current services	30,834		$ 1,629	$ 29,577	
Miscellaneous					
Total Revenues	427,474	108,138	1,629	29,577	12,614
Expenditures:					
Current:					
General government					
Public safety					
Public works					
Culture and recreation					
Education					
Public welfare	407,567		2,010	50,001	
Debt service					
Total Expenditures	407,567	-	2,010	50,001	-
Excess (deficiency) of revenues over expenditures	19,907	108,138	(381)	(20,424)	12,614
Other Financing Sources:					
Bond proceeds					
Transfers in (out)					
Net change in fund balances	19,907	108,138	(381)	(20,424)	12,614
Fund Balances, Beginning (Deficit)	(280,864)	1,609	76,206	46,755	(143,080)
Fund Balances, Ending (Deficit)	$ (260,957)	$ 109,747	$ 75,825	$ 26,331	$ (130,466)

	Special Revenue Funds						
	Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund
	$ 267,469	$ 1,891	$ 130,000	$ 26,982	$ 139,360	$ 805	$ 69,355
	267,469	1,891	130,000	26,982	139,360	805.00	69,355
	271,990	461,525	144,913	45,207	152,388	23,330	39,038
	271,990	461,525	144,913	45,207	152,388	23,330	39,038
	(4,521)	(459,634)	(14,913)	(18,225)	(13,028)	(22,525)	30,317
	161,194	349,382					10,387
	156,673	(110,252)	(14,913)	(18,225)	(13,028)	(22,525)	40,704
	(79,902)	17,406	12,637	5,362	(39,535)	29,312	358,598
	$ 76,771	$ (92,846)	$ (2,276)	$ (12,863)	$ (52,563)	$ 6,787	$ 399,302

	Special Revenue Funds				
	Radiology Emergency Response	DOI Fund	EPA Fund	School Cafeteria Fund	School Federal Aid Fund
Revenues:					
Taxes					
Licenses and permits					
Intergovernmental			$ 110,100	$ 669,082	$ 3,037,740
Current services				769,700	
Miscellaneous					
Total Revenues	-	-	110,100	1,438,782	3,037,740
Expenditures:					
Current:					
General government			177,944		
Public safety					
Public works					
Culture and recreation					
Education				1,376,547	3,021,567
Public Welfare					
Debt service					
Total Expenditures	-	-	177,944	1,376,547	3,021,567
Excess (deficiency) of revenues over expenditures			(67,844)	62,235	16,173
Other Financing Sources:					
Bond proceeds					
Transfers in (out)			19,214		
Net change in fund balances			(48,630)	62,235	16,173
Fund Balances, Beginning (Deficit)	$ 36,879	$ 8,526	(46,132)	235,633	(12,983)
Fund Balances, Ending (Deficit)	$ 36,879	$ 8,526	$ (94,762)	$ 297,868	$ 3,190

Special Revenue Funds						
Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	SRT Fund
					$ 2,410	
$ 536,089						$ 30,000
	$ 35,059	$ 22,490	$ 245,337	$ 580,955		
				211	322	27,043
536,089	35,059	22,490	245,337	581,166	2,732	57,043
	32,157					
			277,827	348,107		23,119
		7,257				
528,245						
				8,206		
528,245	32,157	7,257	277,827	356,313		23,119
7,844	2,902	15,233	(32,490)	224,853	2,732	33,924
			(67,500)	(209,693)		
7,844	2,902	15,233	(99,990)	15,160	2,732	33,924
(3,483)	(6,105)	206,104	81,384	123,796	44,571	38,721
$ 4,361	$ (3,203)	$ 221,337	$ (18,606)	$ 138,956	$ 47,303	$ 72,645

	Special Revenue Funds				
	Conservation Fund	Solid Waste Fund	McConnell Center Fund	Recreation Programs Fund	Field Maintenance Fund
Revenues:					
Taxes	$ 95,886				
Licenses and permits					
Intergovernmental					
Current services		$ 880,248	$ 687,092	$ 292,521	$ 46,946
Miscellaneous	68	926		11,947	
Total Revenues	95,954	881,174	687,092	304,468	46,946
Expenditures:					
Current:					
General government	280,433				
Public safety					
Public works		814,666			
Culture and recreation			293,962	336,968	23,126
Education					
Public welfare					
Debt service			407,194		
Total Expenditures	280,433	814,666	701,156	336,968	23,126
Excess (deficiency) of revenues over expenditures	(184,479)	66,508	(14,064)	(32,500)	23,820
Other Financing Sources:					
Bond proceeds					
Transfers in (out)	(75,000)		111,504	15,500	
Net change in fund balances	(259,479)	66,508	97,440	(17,000)	23,820
Fund Balances, Beginning (Deficit)	625,395	164,008	(595,140)	354,748	2,901
Fund Balances, Ending (Deficit)	$ 365,916	$ 230,516	$ (497,700)	$ 337,748	$ 26,721

Special Revenue Funds						
Library Fines Fund	Tuition Programs Fund	Vocational Center Fund	Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals
						$ 95,886
					$ 231,306	233,716
						5,535,460
$ 34,927	$ 155,543		$ 353,282	$ 152,520		4,319,465
					19,490	60,007
34,927	155,543	-	353,282	152,520	250,796	10,244,534
						490,534
					79,118	1,866,562
					16,654	838,577
43,682					3,305	701,043
	165,899		774,221	77,320	58	5,943,857
						459,578
						415,400
43,682	165,899	-	774,221	77,320	99,135	10,715,551
(8,755)	(10,356)		(420,939)	75,200	151,661	(471,017)
			402,000		146,703	863,691
(8,755)	(10,356)		(18,939)	75,200	298,364	392,674
33,967	4,128	$ 906	39,495	166,201	4,173,249	5,681,273
$ 25,212	$ (6,228)	$ 906	$ 20,556	$ 241,401	$ 4,471,613	$ 6,073,947

	CIP FY 13	CIP FY 12	CIP FY 11	CIP FY10	CIP FY09	CIP FY08
Revenues:						
Taxes						
Licenses and permits						
Intergovernmental		14,020				
Current services						
Miscellaneous				$		
Total Revenues	-	14,020.00	-	-	-	-
Expenditures:						
Current:						
General government					$ 5,055	
Public safety		$ 140,002	$ 10,407	610		$ 1,206
Public works	$ 2,700	404,167	143,432	548,781	329,741	82,797
Culture and recreation		185,000				1,285
Education			91,808		9,921	
Public welfare						
Debt service						
Total Expenditures	2,700	729,169	245,647	549,391	344,717	85,288
Excess (deficiency) of revenues over expenditures	(2,700)	(715,149)	(245,647)	(549,391)	(344,717)	(85,288)
Other Financing Sources:						
Bond proceeds	750,000	1,400,000	2,150,000			
Transfers in (out)			380,422			
Net change in fund balances	747,300	684,851	2,284,775	(549,391)	(344,717)	(85,288)
Fund Balances, Beginning (Deficit)		(6,875)	(513,149)	794,905	1,583,752	1,851,431
Fund Balances, Ending (Deficit)	$ 747,300	$ 677,976	$ 1,771,626	$ 245,514	$ 1,239,035	$ 1,766,143

CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03	CIP FY02	CIP FY01	CIP FY00
$ 41,929							
			$ 3,768				
41,929	-	-	3,768	-	-	-	-
					$ 2,987		
	$ 10,365	$ 145,716	$ 3,743	$ 41,208			
			898,000				
-	10,365	145,716	901,743	41,208	2,987	-	-
41,929	(10,365)	(145,716)	(897,975)	(41,208)	(2,987)		
							(19,214)
41,929	(10,365)	(145,716)	(897,975)	(41,208)	(2,987)		(19,214)
(828,692)	8,991	(275,154)	788,964	14,802	74	$ 98,177	$ (41,948)
$ (786,763)	$ (1,374)	$ (420,870)	$ (109,011)	$ (26,406)	$ (2,913)	$ 98,177	$ (61,162)

	Capital Projects Funds					
	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Capital Purchases Fund	Subtotals	Total
Revenues:						
Taxes						$ 95,886
Licenses and permits						233,716
Intergovernmental					$ 55,949	5,591,409
Current services		$			3,768	4,323,233
Miscellaneous			$ 422,514	$ 193	422,707	482,714
Total Revenues	-		422,514	193	482,424	10,726,958
Expenditures:						
Current:						
General government					5,055	495,589
Public safety					155,212	2,021,774
Public works	$ 959,551	5,811			2,678,012	3,516,589
Culture and recreation					186,285	887,328
Education					101,729	6,045,586
Public welfare						459,578
Debt service					898,000	1,313,400
Total Expenditures	959,551	5,811		-	4,024,293	14,739,844
Excess (deficiency) of revenues over expenditures	(959,551)	(5,811)	422,514	193	(3,541,869)	(4,012,886)
Other Financing Sources:						
Bond proceeds	500,000				4,800,000	4,800,000
Transfers in (out)				232,078	593,286	1,456,977
Net change in fund balances	(459,551)	(5,811)	422,514	232,271	1,851,417	2,244,091
Fund Balances, Beginning (Deficit)	199,692	304,372	323,102	461,636	4,764,080	10,445,353
Fund Balances, Ending (Deficit)	$ (259,859)	$ 298,561	$ 745,616	$ 693,907	$ 6,615,497	$ 12,689,444

Detail and Combining Budget and Actual Schedules

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General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include, among other items: General government, public safety, public works, culture and recreation, education, public welfare, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

Detail Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes				
Property taxes	$ 63,364,437	$ 64,350,115	$ 64,367,157	$ 17,042
Boat tax	15,000	15,000	20,449	5,449
Yield tax	1,500	1,500	7,717	6,217
Payment in lieu of taxes	57,000	57,000	68,427	11,427
Excavation tax	5,000	5,000	9,892	4,892
Railroad tax	910	910	1,560	650
Tax interest and penalties	240,000	240,000	413,650	173,650
Total Taxes	63,683,847	64,669,525	64,888,852	219,327
Licenses and Permits				
Health licenses and permits	30,000	30,000	36,472	6,472
Building permits	275,000	275,000	289,243	14,243
Peddlers and vendors licenses	900	900	1,170	270
Motor vehicle permits	3,650,000	3,650,000	3,710,058	60,058
Electrical permits	70,000	70,000	79,790	9,790
Plumbing permits	65,000	65,000	57,166	(7,834)
Trailer park permits	175	175	150	(25)
Fire and rescue permits	2,900	2,900	26,308	23,408
Dog licenses	17,403	17,403	18,642	1,239
Marriage license fees	2,450	2,450	1,079	(1,371)
Birth, death and marriage certificates	22,002	22,002	18,890	(3,112)
Miscellaneous licenses and permits	11,600	11,600	11,251	(349)
Miscellaneous service charges			58	58
Taxi licenses	500	500	720	220
Video and arcade licenses	1,200	1,200	420	(780)
Total Licenses and Permits	4,149,130	4,149,130	4,251,417	102,287
Intergovernmental				
Rooms and meals distribution	1,283,372	1,339,490	1,339,490	
Federal grant reimbursement	55,660	55,660	16,396	(39,264)
State reimbursement	17,200	50,364	43,715	(6,649)
Shared revenue block grant	600,243			
Highway block grant	578,479	578,479	558,497	(19,982)
Miscellaneous Intergovernmental	52,960	52,960	63,964	11,004
Total Intergovernmental	2,587,914	2,076,953	2,022,062	(54,891)

(continued)

(continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current Services				
Sales and service charges	$ 1,173,490	$ 1,173,490	$1,209,849.0	$ 36,359
Copy sales	300	300	354	54
Vending machine sales	7,200	7,200	3,924	(3,276)
Commissions	5,050	5,050	4,426	(624)
Ambulance services	889,400	889,400	875,700	(13,700)
Interment charges	49,800	49,800	46,495	(3,305)
Headstone foundations	1,000	1,000	1,060	60
Pro shop	15,000	15,000	16,660	1,660
Recreation charges	350,490	350,490	322,636	(27,854)
Non-resident charges	65,120	65,120	59,068	(6,052)
Food sales	53,000	53,000	46,405	(6,595)
Vending sales	15,000	15,000	8,295	(6,705)
Department overhead allocations	370,300	370,300	370,300	
Miscellaneous service charges	31,450	31,450	34,320	2,870
Total Current Services	3,026,600	3,026,600	2,999,492	(27,108)
Education				
Education revenue	7,275,910	7,267,026	7,191,845	(75,181)
Federal grant reimbursement	255,500	255,500	411,111	155,611
Miscellaneous intergovernmental	5,164,200	5,126,850	4,645,590	(481,260)
Miscellaneous revenue	105,000	105,000	118,891	13,891
Total Education Income	12,800,610	12,754,376	12,367,437	(386,939)
Miscellaneous				
Miscellaneous revenue	13,400	13,420	14,276	856
District court receipts	25,000	25,000	12,850	(12,150)
Miscellaneous fines and forfeits	20,900	20,900	17,813	(3,087)
Fundraising	50,000	50,000	11,517	(38,483)
Sale of city property	39,375	39,375	49,780	10,405
Investment income	155,000	155,000	(25,415)	(180,415)
Facilities rental	196,622	196,622	201,760	5,138
Interest on arrears			1,309	1,309
Equipment rental	2,000	2,000	2,534	534
Total Miscellaneous	502,297	502,317	286,424	(215,893)
Other Financing Sources				
Transfers in	93,725	93,725	62,624	(31,101)
Proceeds from Refunding	75,000	75,000	8,605,000	8,530,000
Premium on Bonds Sold			713,942	713,942
Total Other Financing Sources	168,725	168,725	9,381,566	9,212,841
Total Revenues and Other Financing Sources	$ 86,919,123	$ 87,347,626	$ 96,197,250	$ 8,849,624

Detail Schedule of Expenditures and Other Financing Uses Budget and Actual - General Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government				
City Council	$ 357,044	$ 363,844	$ 363,770	$ 74
Executive	771,813	765,013	714,244	50,769
Finance	1,594,571	1,593,371	1,523,765	69,606
Planning	451,089	452,289	452,205	84
Miscellaneous	779,563	883,565	730,264	153,301
Total General Government	3,954,080	4,058,082	3,784,248	273,834
Public Safety				
Police	6,560,818	6,393,856	6,358,832	35,024
Fire and rescue	6,358,146	6,418,272	6,415,141	3,131
Total Public Safety	12,918,964	12,812,128	12,773,973	38,155
Public Works				
Community Services - Public Works	5,518,808	5,518,808	4,851,118	667,690
Total Public Works	5,518,808	5,518,808	4,851,118	667,690
Culture and Recreation				
Recreation	2,191,062	2,191,062	1,986,139	204,923
Public Library	1,056,980	1,056,980	981,810	75,170
Total Culture and Recreation	3,248,042	3,248,042	2,967,949	280,093
Public welfare				
Public welfare	709,873	849,873	844,099	5,774
Total Public Welfare	709,873	849,873	844,099	5,774
Education				
School Department	41,638,606	41,677,206	41,362,659	314,547
Total Education	41,638,606	41,677,206	41,362,659	314,547
Debt Service				
Principal	6,662,120	6,662,120	6,615,141	46,979
Interest	3,242,057	3,242,057	3,010,759	231,298
Total Debt Service	9,904,177	9,904,177	9,625,900	278,277
Intergovernmental				
County tax	7,051,080	7,303,817	7,303,817	-
Total Intergovernmental	7,051,080	7,303,817	7,303,817	-
Transfers				
Transfer out	1,975,493	1,975,493	1,884,706	90,787
Total Transfers	1,975,493	1,975,493	1,884,706	90,787
Other Financing Uses			9,192,189	(9,192,189)
Total Other Financing Uses			9,192,189	(9,192,189)
Total Expenditures and Other Financing Uses	$ 86,919,123	$ 87,347,626	$ 94,590,658	$ (7,243,032)
Excess of revenues and other sources over expenditures and other uses	$ -	$ -	$ 1,606,592	$ 1,606,592

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Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2012

	Parking Activity		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	$ 575,725	$ 580,956	$ 5,231
Intergovernmental			
Miscellaneous		210	210
Other financing sources			
Total Revenues	575,725	581,166	5,441
Expenditures:			
Public safety	440,886	353,481	87,405
Education			
Public works			
Culture and recreation			
Debt service	45,081	8,206	36,875
Other financing uses	92,478	209,693	(117,215)
Total Expenditures	578,445	571,380	7,065
Revenues and other financing sources over (under) expenditures	$ (2,720)	$ 9,786	$ 12,506

Residential Solid Waste			Library Fines		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ 950,663	$ 880,248	$ (70,415)	$ 37,140	$ 35,727	$ (1,413)
	926	926			
			39,492		(39,492)
950,663	881,174	(69,489)	76,632	35,727	(40,905)
999,768	765,561	234,207			
			76,756	44,358	32,398
999,768	765,561	234,207	76,756	44,358	32,398
$ (49,105)	$ 115,613	$ 164,718	$ (124.0)	$ (8,631)	$ (8,507)

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2012

	Tuition Programs		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	$ 348,761	$ 155,543	$ (193,218)
Intergovernmental			
Miscellaneous revenue			
Other financing sources			
Total Revenues	348,761	155,543	(193,218)
Expenditures:			
Public safety			
Education	348,761	165,898	182,863
Public works			
Culture and recreation			
Debt service			
Total Expenditures	348,761	165,898	182,863
Revenues and other financing sources over (under) expenditures	$ -	$ (10,355)	$ (10,355)

School Alternative Education			School Facilities		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ 476,000	$ 353,282	$ (122,718)	$ 137,075	$ 152,520	$ 15,445
402,000	402,000				
878,000	755,282	(122,718)	137,075	152,520	15,445
879,105	774,233	104,872	139,556	74,837	64,719
879,105	774,233	104,872	139,556	74,837	64,719
$ (1,105)	$ (18,951)	$ (17,846)	$ (2,481)	$ 77,683	$ 80,164

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2012

	McConnell Center		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	$ 679,301	$ 687,092	$ 7,791
Intergovernmental			
Miscellaneous			
Other financing sources	91,859	111,683	19,824
Total Revenues	771,160	798,775	27,615
Expenditures:			
Public safety			
Education			
Public works			
Culture and recreation	367,770	292,422	75,348
Debt service	407,194	407,194	
Total Expenditures	774,964	699,616	75,348
Revenues and other financing source over (under) expenditures	$ (3,804)	$ 99,159	$ 102,963

Police DHA Fund			School Cafeteria		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			$ 974,000	$ 769,700	$ (204,300)
$ 138,585	$ 130,000	$ (8,585)	424,164	669,082	244,918
138,585	130,000	(8,585)	1,398,164	1,438,782	40,618
149,617	144,913	4,704			
			1,398,164	1,380,809	17,355
149,617	144,913	4,704	1,398,164	1,380,809	17,355
$ (11,032)	$ (14,913)	$ (3,881)	$ -	$ 57,973	$ 57,973

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Enterprise Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

DBIDA Fund: To account for the economic development projects of the Dover Business Industrial Development Authority (DBIDA), which operates under RSA 162-G.

No annual budget is adopted for the DBIDA Fund.

Enterprise Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2012

	Water Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	$ 4,315,199	$ 4,147,280	$ (167,919)
Other	21,000	56,099	35,099
Total Operating Revenues	4,336,199	4,203,379	(132,820)
Operating Expenses:			
Personnel services	1,212,863	1,276,811	(63,948)
Purchased services	312,425	315,238	(2,813)
Supplies and materials	656,547	600,944	55,603
Minor equipment	92,979	72,860	20,119
Other	173,660	155,142	18,518
Depreciation	946,000	837,175	108,825
Total Operating Expenses	3,394,474	3,258,170	136,304
Operating Income (Loss)	941,725	945,209	3,484
Non-Operating Income (Expenses):			
Investment Income		71,106	71,106
Gain (loss) on the disposal of capital assets		171,314	171,314
Interest expense	(404,395)	(369,039)	35,356
Intergovernmental			
Total Non-Operating Income (Expenses)	(404,395)	(126,619)	277,776
Net Income (Loss) Before Transfers	537,330	818,590	281,260
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(550,552)	(550,552)	-
Total Other Financing Sources and Uses	(550,552)	(550,552)	-
Net Income (Loss)	$ (13,222)	$ 268,038	$ 281,260

	Sewer Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	$ 5,048,527	$ 4,428,586	$ (619,941)
Other	48,334	-	(48,334)
Total Operating Revenues	5,096,861	4,428,586	(668,275)
Operating Expenses:			
Personnel services	1,320,754	1,380,062	(59,308)
Purchased services	481,331	493,300	(11,969)
Supplies and materials	938,064	791,982	146,082
Minor equipment	135,299	92,180	43,119
Other	245,160	225,172	19,988
Depreciation	2,152,449	2,175,515	(23,066)
Total Operating Expenses	5,273,057	5,158,211	114,846
Operating Income (Loss)	(176,196)	(729,625)	(553,429)
Non-Operating Income (Expenses):			
Investment Income		145,428	145,428
Gain (loss) on the disposal of capital assets		(107,268)	(107,268)
Interest expense	(479,723)	(284,744)	194,979
Intergovernmental	46,742	27,913	(18,829)
Total Non-Operating Income (Expenses)	(432,981)	(218,671)	214,310
Net Income (Loss) Before Transfers	(609,177)	(948,296)	(339,119)
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(433,646)	(433,646)	-
Total Other Financing Sources and Uses	(433,646)	(433,646)	-
Net Income (Loss)	$ (1,042,823)	$ (1,381,942)	$ (339,119)

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Internal Service Funds

- Dover Net Fund – To account for the costs related to the operations of the information technology network and the allocation of these costs to the various funds and functions.

- Central Stores Fund – To account for the costs related to the supplies, copiers and postage and the allocation of these costs to the various funds and functions based on actual use.

- Fleet Maintenance Fund – To account for the maintenance costs related to the vehicle fleet and the allocation of these costs to the various funds and functions based on actual use.

- Workers Compensation Fund – To account for the cost of administration, insurance and claims for workers compensation and the allocation of these costs to the various funds and functions based on historical wage and claims history.

- OPEB Fund – To account for the costs related to post-employment benefits other than pensions for eligible retirees and current employees.

Internal Service Funds

Combining Statement of Net Assets

June 30, 2012

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
ASSETS						
Current:						
Departmental and other receivables	$ 49,554		$ 4,057			$ 53,611
Due from (to) other funds	292,444	$ 46,717	30,700	$ 713,129	$ 169,206	1,252,196
Prepaid expenses				20,000	116,342	136,342
Inventory			60,848			60,848
Total Assets	341,998	46,717	95,605	733,129	285,548	1,502,997
LIABILITIES						
Current:						
Accounts payable	43,499	592	10,606	24,863		79,560
Accrued liabilities	4,010		6,495			10,505
Claims liability				421,130		421,130
Compensated absences	19,200		25,560			44,760
Total Current Liabilities	66,709	592	42,661	445,993	-	555,955
Non-current:						
Claims liability, net of current portion				44,151		44,151
Total Liabilities	66,709	592	42,661	490,144	-	600,106
NET ASSETS						
Restricted for capital projects	100,212					100,212
Unrestricted	175,077	46,125	52,944	242,985	285,548	802,679
Total Net Assets	$ 275,289	$ 46,125	$ 52,944	$ 242,985	$ 285,548	$ 902,891

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

For Fiscal Year Ended June 30, 2012

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Operating Revenues:						
Charges for services	$ 259,030	$ 85,699	$ 720,857	$ 387,675		$ 1,453,261
Miscellaneous	294,166		36,483			330,649
Total Operating Revenues	553,196	85,699	757,340	387,675	-	1,783,910
Operating Expenses:						
Personal services	348,812		402,361	223,877	$ 1,282,645	2,257,695
Purchased services	145,545	53,053	7,361	535,711		741,670
Supplies	68,769	37,675	16,773			123,217
Minor equipment	40,500					40,500
Other expenses			230,409	20,550		250,959
Total Operating Expenses	603,626	90,728	656,904	780,138	1,282,645	3,414,041
Operating Income (Loss)	(50,430)	(5,029)	100,436	(392,463)	(1,282,645)	(1,630,131)
Other Financing Sources (Uses)						
Transfer in (out)	(82)		(35,263)		1,464,794	1,429,449
Intergovernmental					103,399	103,399
Total Other Financing Sources (Uses)	(82)		(35,263)		1,568,193	1,532,848
Change in Net Assets	(50,512)	(5,029)	65,173	(392,463)	285,548	(97,283)
Net Assets at Beginning of Year	325,801	51,154	(12,229)	635,448		1,000,174
Net Assets at End of Year	$ 275,289	$ 46,125	$ 52,944	$ 242,985	$ 285,548	$ 902,891

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2012

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	OPEB Fund	Total
Cash Flows From Operating Activities:						
Receipts from customers and users for services	$ 554,107	$ 85,699	$ 756,887	$ 387,675		$ 1,784,368
Payments to vendors and contractors	(222,970)	(92,132)	(262,785)	(531,398)	$ (1,282,645)	(2,391,930)
Payments of employee salaries and benefits	(347,413)		(400,534)	(116,599)		(864,546)
Receipts for interfund service provided	16,358	6,433	(58,305)			(35,514)
Payments for interfund service provided				260,322	(285,548)	(25,226)
Net Cash Provided By (Used For) Operating Activities	82	-	35,263	-	(1,568,193)	(1,532,848)
Cash Flows From Noncapital Financing Activities:						
Transfer in					1,464,794	1,464,794
Transfer out	(82)		(35,263)			(35,345)
Intergovernmental subsidy					103,399	103,399
Net Cash Provided By Noncapital Financing Activities	(82)	-	(35,263)	-	1,568,193	1,532,848
Cash and Short Term Investments, Beginning of Year						
Cash and Short Term Investments, End of Year	$ -	$ -	$ -	$ -	$ -	$ -
Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities						
Operating income (loss)	$ (50,430)	$ (5,029)	$ 100,436	$ (392,463)	$ (1,282,645)	$ (1,630,131)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Changes in assets and liabilities:						
Inventory			(5,210)			(5 210)
Departmental and other receivables	911		(453)			458
Intefund receivables/payables	16,358	6,433	(58,305)	260,323	(285,548)	(60,739)
Other assets			1,910			1 910
Accounts payable	31,844	(1,404)	(4,942)	24,863		50 361
Accrued liabilities	598		1,393	107,277		109 268
Compensated absences	801		434			1,235
Net Cash Provided By (Used For) Operating Activities	$ 82	$ -	$ 35,263	$ -	$ (1,568,193)	$ (1,532,848)

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Internal Service Funds

Schedule of Revenues and Expenses - Budget and Actual

For the Year Ended June 30, 2012

	Dover Net Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	$ 257,977	$ 259,030	$ 1,053
Other revenue	259,201	294,166	34,965
Total Operating Revenues	517,178	553,196	36,018
Operating Expenses:			
Personnel services	379,692	348,810	30,882
Purchased services	289,278	171,041	118,237
Supplies and materials	91,268	75,911	15,357
Minor equipment	60,125	26,369	33,756
Other	84,848		84,848
Total Operating Expenses	905,211	622,131	283,080
Operating Income (Loss)	(388,033)	(68,935)	319,098
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	(388,033)	(68,935)	319,098
Other Financing Sources and Uses			
Use of retained earnings	176,232		(176,232)
Transfers in	24,000		(24,000)
Transfers out	(82)	(82)	
Total Other Financing Sources and Uses	200,150	(82)	(200,232)
Net Income (Loss)	$ (187,883)	$ (69,017)	$ 118,866

	Central Stores Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	$ 105,154	$ 85,699	$ (19,455)
Other revenue			
Total Operating Revenues	105,154	85,699	(19,455)
Operating Expenses:			
Personnel services			
Purchased services	71,141	49,288	21,853
Supplies and materials	39,450	33,911	5,539
Minor equipment			
Other			
Total Operating Expenses	110,591	83,199	27,392
Operating Income (Loss)	(5,437)	2,500	7,937
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	(5,437)	2,500	7,937
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	$ (5,437)	$ 2,500	$ 7,937

	Fleet Maintenance Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	$ 649,704	$ 720,857	$ 71,153
Other revenue	36,483	36,483	
Total Operating Revenues	686,187	757,340	71,153
Operating Expenses:			
Personnel services	420,509	417,361	3,148
Purchased services	6,349	7,361	(1,012)
Supplies and materials	19,131	17,367	1,764
Minor equipment	5,000		5,000
Other	205,483	230,409	(24,926)
Total Operating Expenses	656,472	672,498	(16,026)
Operating Income (Loss)	29,715	84,842	55,127
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	29,715	84,842	55,127
Other Financing Sources and Uses			
Use of retained earnings	5,173		(5,173)
Transfers in			
Transfers out	(35,263)	(35,263)	
Total Other Financing Sources and Uses	(30,090)	(35,263)	(5,173)
Net Income (Loss)	$ (375)	$ 49,579	$ 49,954

	Workers Compensation Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	$ 387,065	$ 387,675	$ 610
Other revenue			
Total Operating Revenues	387,065	387,675	610
Operating Expenses:			
Personnel services	338,045	223,877	114,168
Purchased services	44,132	535,389	(491,257)
Supplies and materials			
Minor equipment			
Other	16,900	20,550	(3,650)
Total Operating Expenses	399,077	779,816	(380,739)
Operating Income (Loss)	(12,012)	(392,141)	(380,129)
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) Before Transfers	(12,012)	(392,141)	(380,129)
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	$ (12,012)	$ (392,141)	$ (380,129)

	OPEB Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services			
Other revenue			
Total Operating Revenues		-	
Operating Expenses:			
Personnel services	1,369,884	1,282,645	87,239
Purchased services			
Supplies and materials			
Minor equipment			
Other			
Total Operating Expenses	1,369,884	1,282,645	87,239
Operating Income (Loss)	(1,369,884)	(1,282,645)	(87,239)
Non-Operating Income (Expenses)			
Intergovernmental	-	103,399	(103,399)
Net Income (Loss) Before Transfers	(1,369,884)	(1,179,246)	(190,638)
Other Financing Sources and Uses			
Use of retained earnings			
Transfers in	1,369,884	1,464,794	(94,910)
Transfers out			
Total Other Financing Sources and Uses	1,369,884	1,464,794	(94,910)
Net Income (Loss)	-	285,548	(285,548)

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- Performance Bonds – To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the request.
- Chamber of Commerce – To account for funds received from Chamber of Commerce for its Riverwalk Project.
- Department Agency – To account for funds received from other organizations for activities administered by various City departments.
- School Agency – To account for funds received from other organizations for activities administered by the Dover School Department.

Private Purpose Funds:

- Cemetery – To account for private donations left in trust to maintain graves and provide flowers.
- Parks and Recreation – To account for private donations left in trust to assist individuals attending various recreational programs.
- Welfare – To account for private donations left in trust for the benefit of low or moderate income individuals.
- School – To account for private donations left in trust mainly for the benefit of providing scholarships to high school graduates.

Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2012

	Performance Deposits	Chamber of Commerce	Department Agency	School Agency	Total
ASSETS					
Cash and short-term investments				$ 296,883	$ 296,883
Due from other funds	$ 908,476	$ 3,083	$ 34,213	15,962	961,734
Total Assets	$ 908,476	$ 3,083	$ 34,213	$ 312,845	$ 1,258,617
LIABILITIES					
Other liabilities	$ 908,476	$ 3,083	$ 34,213	$ 312,845	$ 1,258,617
Total Liabilities	$ 908,476	$ 3,083	$ 34,213	$ 312,845	$ 1,258,617

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Performance Deposits				
Assets - due from other funds	$ 831,007	$ 209,601	$ (132,132)	$ 908,476
Liabilities - other liabilities	$ 831,007	$ 209,601	$ (132,132)	$ 908,476
Chamber of Commerce				
Assets - due from other funds	$ 3,083	$ -	$ -	$ 3,083
Liabilities - other liabilities	$ 3,083	$ -	$ -	$ 3,083
Department Agency				
Assets - due from other funds	$ 27,716	$ 43,624	$ (37,127)	$ 34,213
Liabilities - other liabilities	$ 27,716	$ 54,114	$ (47,617)	$ 34,213
School Agency				
Assets - cash	$ 247,960	$ 755,421	$ (706,498)	$ 296,883
Assets - due from other funds	8,668	21,823	(14,529)	15,962
Total Assets	$ 256,628	$ 777,244	$ (721,027)	$ 312,845
Liabilities - other liabilities	$ 256,628	$ 777,244	$ (721,027)	$ 312,845
Totals				
Assets - cash	$ 247,960	$ 755,421	$ (706,498)	$ 296,883
Assets - due from other funds	870,474	275,048	(183,788)	961,734
Total Assets	$ 1,118,434	$ 1,030,469	$ (890,286)	$ 1,258,617
Liabilities - other liabilities	$ 1,118,434	$ 1,040,959	$ (900,776)	$ 1,258,617

Private Purpose Trust Funds

Combining Statement of Fiduciary Net Assets

June 30, 2012

	Cemetery	Parks and Recreation	Welfare	School	Total
ASSETS					
Due from other funds	$ 188,621	$ 48,101	$ 125,245	$ 419,053	$ 781,020
Total Assets	$ 188,621	$ 48,101	$ 125,245	$ 419,053	$ 781,020
NET ASSETS					
Total Net Assets Held in Trust	$ 188,621	$ 48,101	$ 125,245	$ 419,053	$ 781,020

Private Purpose Trust Funds

Combining Statement of Changes in Fiduciary Net Assets

For Fiscal Year Ended June 30, 2012

	Cemetery	Parks and Recreation	Welfare	School	Total
Additions:					
Investment income	$ 8,100	$ 1,915	$ 11,713	$ 36,570	$ 58,298
Total Additions	8,100	1,915	11,713	36,570	58,298
Deductions:					
Disbursements by agent	2,751	285	876	14,549	18,461
Total Deductions	2,751	285	876	14,549	18,461
Net Increase	5,349	1,630	10,837	22,021	39,837
Net Assets:					
Beginning of Year	183,272	46,471	114,408	397,032	741,183
End of Year	$ 188,621	$ 48,101	$ 125,245	$ 419,053	$ 781,020

STATISTICAL SECTION

City of Dover, New Hampshire

Statistical Section

The City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	137 -145
Revenue Capacity These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.	146 -151
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	152 -153
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	154 -155
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	156 -162

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Dover, New Hampshire

Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested in capital assets, net of related debt (1)	$ 47,842,554	$ 50,841,722	$ 53,992,080	$ 56,387,047	$ 57,412,322	$60,502,720	$ 76,016,355	$ 80,024,915	$ 84,864,320	$ 87,621,792
Restricted	449,317	467,560	135,140	135,519	220,907	706,857	239,781	357,330	3,755,875	3,831,773
Unrestricted	(3,376,708)	(4,956,172)	(5,048,192)	334,752	2,143,471	1,555,309	(4,425,923)	(4,296,357)	(6,828,784)	(13,020,114)
Total governmental activities net assets	$ 44,915,183	$ 46,353,110	$ 49,079,028	$ 56,857,318	$ 59,776,700	$ 62,764,886	$ 71,832,213	$ 76,085,888	$ 81,791,211	$ 78,433,451
Business-type activities										
Invested in capital assets, net of related debt	$ 50,262,498	$ 49,960,529	$ 49,129,986	$ 49,120,227	$ 49,735,238	$ 51,471,577	$ 46,561,358	$ 48,633,637	$ 50,765,070	$ 49,606,832
Restricted	908,920	1,548,748	2,961,035	2,628,641	3,619,664	5,630,120	6,388,298	6,692,028	1,694,773	-
Unrestricted	3,890,445	3,777,256	3,499,041	3,591,882	1,527,399	(2,037,985)	5,702,564	2,367,829	5,792,867	8,189,888
Total business-type activities net assets	$ 55,061,863	$ 55,286,533	$ 55,590,062	$ 55,340,750	$ 54,882,301	$ 55,063,712	$ 58,652,220	$ 57,693,494	$ 58,252,710	$ 57,796,520
Primary government										
Invested in capital assets, net of related debt	$ 98,105,052	$100,802,251	$103,122,066	$105,507,274	$107,147,560	$111,974,297	$122,579,713	$ 128,658,552	$135,629,390	$137,228,424
Restricted	1,358,237	2,016,308	3,096,175	2,764,160	3,840,571	6,336,777	6,628,079	7,049,358	5,450,448	3,831,773
Unrestricted	513,737	(1,178,916)	(1,549,151)	3,926,634	3,670,870	(482,676)	1,276,841	(1,928,528)	(1,035,917)	(4,830,226)
Total primary government net assets	$ 99,977,026	$101,639,643	$104,669,090	$112,198,068	$114,659,001	$117,828,398	$130,484,633	$ 133,779,382	$140,043,921	$136,229,971

Notes
(1) Net assets invested in capital assets, net of related debt were restated for FY03 and FY04.

City of Dover, New Hampshire

Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	$ 3,745,857	$ 3,809,832	$ 4,833,784	$ 3,670,881	$ 3,834,147	$ 4,926,090	$ 3,177,368	$ 3,463,389	$ 6,120,791	$ 6,057,406
Public safety	9,713,495	10,657,493	10,284,604	12,865,808	13,974,469	14,090,578	16,154,098	17,405,207	16,052,207	16,301,615
Public works	7,995,930	6,739,392	6,972,709	9,128,400	8,380,719	8,289,627	10,621,805	11,922,320	4,861,919	16,831,168
Culture and recreation	2,985,494	2,911,587	2,349,885	2,882,727	3,655,755	3,468,304	3,669,804	3,498,166	3,313,255	3,325,068
Education	36,502,911	37,408,903	37,715,317	41,198,155	42,505,294	45,032,173	45,929,648	45,268,003	48,789,847	47,519,865
Public Welfare	630,133	1,481,363	1,156,326	1,310,008	1,445,035	1,099,641	740,125	861,608	813,196	880,622
Intergovernmental	3,695,246	4,639,183	4,336,892	5,454,615	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271	7,303,817
Interest	1,492,822	1,646,763	1,815,709	2,108,107	2,813,594	3,098,791	3,131,043	3,287,626	3,448,823	3,146,142
Miscellaneous	318,758	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	67,080,646	69,294,516	69,465,226	78,618,899	82,358,217	85,927,425	90,196,214	92,756,959	90,453,309	101,365,705
Business-type activities:										
Water services	2,326,346	2,521,875	2,779,842	2,977,351	3,304,778	3,430,042	3,362,625	3,745,551	3,414,368	3,618,587
Sewer services	4,327,567	4,566,230	4,647,438	4,997,619	5,043,665	5,017,000	5,472,366	5,426,802	5,227,382	5,345,924
Arena services	1,151,200	1,262,538	1,314,389	1,418,234	1,481,949	1,427,762	39,516	-	-	-
DBIDA services	7,098	7,894	5,879	81,943	144,500	138,441	177,886	298,878	312,954	195,493
Total business-type activities expenses	7,812,211	8,358,537	8,747,548	9,475,147	9,974,892	10,013,245	9,052,393	9,471,231	8,954,704	9,160,004
Total primary government expenses	$ 74,892,857	$ 77,653,053	$ 78,212,774	$ 88,094,046	$ 92,334,109	$ 95,940,670	$ 99,248,607	$ 102,228,190	$ 99,408,013	$ 110,525,709
Program Revenues										
Governmental activities:										
Charges for services										
General government	$ 1,484,034	$ 871,799	$ 1,312,097	$ 1,609,618	$ 1,310,619	$1,149,111	$ 915,590	$ 2,085,157	$ 1,631,363	$ 1,577,067
Public safety	1,235,206	808,621	437,825	603,642	1,275,129	1,336,480	1,794,657	1,872,986	2,339,389	2,295,257
Public works	868,876	1,260,514	2,810,817	1,307,824	1,544,584	2,936,784	1,253,462	1,231,521	1,817,936	1,181,907
Culture and recreation	403,968	718,942	601,361	591,904	659,630	650,656	1,242,867	1,463,061	1,757,855	1,994,066
Education	9,004,003	12,951,805	13,493,145	13,630,851	14,030,649	14,079,236	14,929,866	7,167,991	8,379,842	6,298,841
Public Welfare	6,230	11,749	196,645	136,057	55,182	180,465	82,006	81,955	214,171	213,255
Miscellaneous	54,573	-	-	-	-	-	-	-	-	-
Total charges for services	13,056,890	16,621,630	18,851,890	17,879,896	18,875,803	20,323,732	20,219,448	13,902,671	14,140,556	13,560,393
Operating grants and contributions	9,116,737	6,724,481	6,284,743	8,061,067	7,100,396	6,582,484	9,279,478	18,091,830	15,094,862	14,059,924
Capital grants and contributions	1,691,916	1,768,318	919,502	1,213,101	970,772	1,026,815	2,993,635	904,887	719,491	660,251
Total governmental activities program revenues	23,865,543	25,114,429	26,056,135	26,154,064	26,946,971	27,933,031	32,492,561	32,899,388	29,954,909	28,280,568
Business-type activities:										
Charges for services										
Water services	3,158,780	3,027,514	3,197,227	3,406,598	3,379,209	4,011,562	3,986,112	3,961,121	4,671,077	4,272,878
Sewer services	4,196,982	3,928,891	4,019,804	3,934,859	3,787,878	4,129,003	4,060,736	4,095,345	4,506,884	4,572,478
Arena services	783,190	1,062,556	1,202,974	1,284,746	1,461,474	1,568,828	-	-	-	-
DBIDA services	-	-	250	44,701	268,973	138,353	129,235	175,787	168,654	83,157
Total charges for services	8,138,952	8,018,961	8,420,255	8,650,904	8,877,534	9,847,746	8,176,083	8,232,253	9,346,815	8,928,513
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	512,554	474,062	612,576	538,839	552,375	240,877	424,092	134,611	77,679	27,913
Total business-type activities program revenues	8,651,506	8,493,023	9,032,831	9,189,743	9,429,909	10,088,623	8,600,175	8,366,864	9,424,494	8,956,426
Total primary government program revenues	$ 32,517,049	$ 33,607,452	$ 35,088,966	$ 34,343,807	$ 36,376,880	$ 38,021,654	$ 41,092,736	$ 41,266,252	$ 39,379,403	$ 37,236,994
Net (Expenses)/Revenue										
Governmental activities	$ (43,215,103)	$ (44,180,087)	$ (43,409,091)	$ (53,464,835)	$ (55,412,246)	$ (57,994,394)	$ (57,703,653)	$ (59,857,571)	$ (60,498,400)	$ (73,085,137)
Business-type activities	839,295	134,486	285,283	(285,404)	(544,983)	75,378	(452,218)	(1,104,367)	469,790	(203,578)
Total Primary government net expense	$ (42,375,808)	$ (44,045,601)	$ (43,123,808)	$ (53,750,239)	$ (55,957,229)	$ (57,919,016)	$ (58,155,871)	$ (60,961,938)	$ (60,028,610)	$ (73,288,715)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	$ 38,969,984	$ 41,202,971	$ 44,469,792	$ 49,606,220	$ 52,129,249	$ 55,835,213	$ 58,469,588	$ 60,266,022	$ 61,572,865	$ 65,534,332
Motor vehicle registration tax	3,719,894	3,844,146	3,923,934	3,958,620	3,927,069	3,803,303	3,692,119	3,567,586	3,533,202	3,710,058
Penalties, interest and other taxes	196,283	218,578	8,419	4,391	16,009	25,037	8,354	307,005	358,594	417,100
Unrestricted investment income/(loss)	244,495	334,854	433,788	1,008,421	1,611,976	1,110,037	16,604	(108,998)	719,992	(177,927)
Other revenue	223,362	100,160	123,533	232,575	447,325	208,790	494,196	207,849	98,760	284,516
Gain (Loss) on sale of capital assets	-	-	(40,109)	-	-	-	-	-	-	-
Extraordinary Item			(2,793,947)	6,395,994	-	-	-	-	-	-
Transfers, net	14,524	(82,675)	9,599	26,904	-	-	(1,227,259)	(130,000)	(82,120)	(40,802)
Total governmental activities	43,368,342	45,618,034	46,135,009	61,243,125	58,331,626	60,982,380	61,473,602	64,109,464	66,201,293	69,727,377
Business-type activities:										
Investment income	11,042	7,509	27,845	52,496	86,533	106,033	40,213	15,641	7,309	3,146
Other Revenue	-	-	-	10,500	-	-	-	-	-	-
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	38,631
Transfers, net	(14,524)	82,675	(9,599)	(26,904)	-	-	1,227,259	130,000	82,120	40,802
Total business-type activities	(3,482)	90,184	18,246	36,092	86,533	106,033	1,267,472	145,641	89,429	82,579
Total primary government	$ 43,364,860	$ 45,708,218	$ 46,153,255	$ 61,279,217	$ 58,418,161	$ 61,088,413	$ 62,741,274	$ 64,255,105	$ 66,290,722	$ 69,809,956
Change in Net Assets										
Governmental activities	$ 153,239	$ 1,437,947	$ 2,725,918	$ 7,778,290	$ 2,919,382	$ 2,987,986	$ 3,770,149	$ 4,251,893	$ 5,702,893	$ (3,357,760)
Business-type activities	835,813	224,670	303,529	(249,312)	(458,450)	181,411	815,254	(958,726)	559,219	(120,999)
Total primary government	$ 989,052	$ 1,662,617	$ 3,029,447	$ 7,528,978	$ 2,460,932	$ 3,169,397	$ 4,585,403	$ 3,293,167	$ 6,262,112	$ (3,478,759)

City of Dover, New Hampshire

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010 (1)	2011 (2)	2012
General Fund										
Reserved	$ 2,428,326	$ 2,331,430	$ 2,698,298	$ 3,146,070	$ 4,025,592	$ 3,948,069	$ 2,309,013	$ -	$ -	$ -
Nonspendable	-	-	-	-	-	-	-	3,273	3,821	3,144
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	732,278	806,786	823,847
Assigned	-	-	-	-	-	-	-	1,785,338	1,658,291	2,221,108
Unassigned	-	-	-	-	-	-	-	5,473,996	5,941,993	7,285,807
Unreserved	3,709,521	3,593,044	3,867,587	4,796,633	5,068,952	5,584,935	5,114,311	-	-	-
Total General Fund	$ 6,137,847	$ 5,924,474	$ 6,565,885	$ 7,942,703	$ 9,094,544	$ 9,533,004	$ 7,423,324	$ 7,994,885	$ 8,410,891	$ 10,333,906
All Other Governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,587,830	$ 1,846,692	$ 1,914,358
Restricted Special Revenues	-	-	-	-	-	-	-	4,365,197	1,955,496	1,963,730
Restricted Capital Projects	-	-	-	-	-	-	-	13,874,051	5,645,164	6,844,332
Committed - Special Revenues	-	-	-	-	-	-	-	895,930	3,086,889	3,348,329
Committed - Capital Projects	-	-	-	-	-	-	-	322,107	784,738	1,439,523
Unassigned - Special Revenue	-	-	-	-	-	-	-	(1,215,514)	(1,207,470)	(1,172,470)
Unassigned - Capital Projects	-	-	-	-	-	-	-	(1,312,766)	(1,665,817)	(1,668,358)
Reserved	2,243,139	3,168,322	2,890,235	7,269,317	11,055,514	8,181,128	5,914,151	-	-	-
Unreserved, reported in										
Special Revenue Funds	3,669,786	4,283,723	3,228,880	4,137,741	4,839,885	5,344,127	4,727,590	-	-	-
Capital Project Funds	4,081,977	4,465,278	9,880,180	11,105,112	10,272,747	2,070,246	6,315,773	-	-	-
Total All Other Governmental funds	$ 9,994,902	$11,917,323	$15,999,295	$22,512,170	$26,168,146	$15,595,501	$16,957,514	$18,516,835	$ 10,445,692	$ 12,689,444

Data Source:
Audited Financial Statements

Notes:
(1) Recalculated Fiscal Year 2010 fund balances to show comparison of GASB Statement No. 54 to Fiscal Year 2011.

(2) Fiscal Year 2011 is the initial year of implementation of GASB Statement No. 54.

City of Dover, New Hampshire

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	$39,127,067	$41,635,187	$44,425,858	$49,273,703	$51,923,895	$ 55,528,287	$ 58,276,107	$60,176,461	$61,609,630	$64,983,178
Licenses and permits	4,096,208	4,254,976	4,379,423	4,746,999	4,704,073	4,458,346	4,347,705	4,230,271	4,706,025	4,485,076
Intergovernmental	7,028,720	8,277,017	6,779,512	6,748,901	7,577,132	6,914,873	10,778,255	11,704,972	8,669,775	8,154,896
Current service charges	3,986,260	3,682,668	6,696,041	5,552,867	5,699,435	7,272,458	7,092,059	6,880,432	7,689,502	7,341,861
Education	11,740,906	11,666,453	11,589,151	11,513,198	11,944,765	11,954,934	12,700,692	13,637,769	12,856,890	12,424,970
Miscellaneous revenue	1,060,772	1,427,204	1,597,921	2,185,844	3,221,740	2,456,173	2,238,920	651,276	1,392,214	692,808
Total revenues	67,039,934	70,943,506	75,467,906	80,021,512	85,071,040	88,585,071	95,433,738	97,281,181	96,924,036	98,082,789
Expenditures										
General government	$ 3,362,579	$ 3,682,989	$ 4,510,703	$ 4,403,947	$ 3,768,761	$ 4,667,786	$ 3,897,489	$ 4,254,050	$ 4,194,840	$ 4,047,895
Public safety	9,669,513	10,453,530	11,220,754	12,244,120	12,527,349	12,315,515	12,983,903	14,529,070	14,169,409	13,961,389
Public works	5,278,346	4,774,012	5,488,069	5,396,712	6,620,093	5,396,667	6,087,921	8,677,677	4,456,543	5,371,344
Culture and recreation	2,026,355	2,232,117	2,207,717	2,596,284	3,164,802	2,724,950	3,799,731	3,713,823	3,558,306	3,577,308
Education	34,643,006	36,706,948	37,366,752	39,929,897	40,788,339	42,991,635	44,840,166	44,017,518	46,812,153	45,773,509
Public Welfare	1,181,469	1,475,210	1,171,342	1,271,139	1,422,465	1,067,523	1,129,423	1,205,134	1,220,988	1,307,385
Intergovernmental	3,695,246	4,639,183	4,336,892	5,454,815	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271	7,303,817
Capital outlay (1)	7,471,290	5,393,035	6,952,065	10,748,911	17,072,862	14,066,205	13,032,244	11,501,504	11,934,296	5,015,237
Debt service										
Principal	3,998,487	4,214,821	4,220,335	4,486,607	4,740,087	6,215,838	6,645,849	6,624,599	6,954,496	7,758,142
Interest	1,524,218	1,644,937	1,799,495	2,054,291	2,668,222	3,350,916	3,148,136	3,307,087	3,484,400	3,181,159
Total expenditures	72,850,509	75,216,782	79,274,123	88,586,723	98,523,184	98,719,256	102,337,185	104,861,102	103,818,702	97,297,185
Excess of revenues										
Over(under) expenditures	(5,810,575)	(4,273,276)	(3,806,217)	(8,565,211)	(13,452,144)	(10,134,185)	(6,903,447)	(7,579,921)	(6,894,666)	785,604
Other Financing Sources (Uses)										
Bond Issuance	$ 9,159,000	$ 6,065,000	$ 8,520,000	$16,428,000	$18,196,000	-	$ 8,545,000	$ 9,839,000	$ 250,000	$ 4,800,000
Bond Premium	-	-	-	-	63,961	-	-	260,390	-	713,942
Refunding Bond Issuance	-	-	-	-	-	-	-	8,790,000	-	8,530,000
Payment to Refunding Escrow	-	-	-	-	-	-	-	(9,050,390)	-	(9,192,189)
Transfers in	944,509	1,040,165	1,148,898	1,161,973	1,183,029	1,093,416	1,498,009	1,178,796	1,513,089	1,594,601
Transfers out	(929,985)	(1,122,840)	(1,139,298)	(1,135,069)	(1,183,029)	(1,093,416)	(2,685,641)	(1,308,796)	(2,525,136)	(3,064,852)
Total governmental activities	9,173,524	5,982,325	8,529,600	16,454,904	18,259,961	-	7,357,368	9,709,000	(762,049)	3,381,502
Net Change in fund balances	$ 3,362,949	$ 1,709,049	$ 4,723,383	$ 7,889,693	$ 4,807,817	$ (10,134,185)	$ 453,921	$ 2,129,079	$ (7,656,715)	$ 4,167,106
Debt Service as a percentage of non-capital outlay expenditures	8.4%	8.4%	8.3%	8.4%	9.1%	11.3%	11.0%	10.6%	11.4%	11.9%

Data Source:
Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

Notes
(1) Capital outlay expenditures are presented within other function categories on page 39.
(2) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.

City of Dover, New Hampshire

Changes in Fund Balances, General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	$ 38,649,599	$ 41,525,541	$ 44,054,361	$ 48,791,940	$51,416,226	$55,152,120	$58,047,052	$59,716,911	$61,423,333	$64,887,292
Licenses and permits	4,096,208	4,254,976	4,378,403	4,745,864	4,702,403	4,456,916	4,159,499	4,033,837	4,365,496	4,251,360
Intergovernmental	1,914,757	1,910,836	2,069,959	2,140,515	2,799,048	2,761,290	3,762,458	2,959,288	2,890,931	2,563,497
Current service charges	1,124,299	1,118,191	1,586,678	1,486,611	1,293,887	1,220,717	2,702,644	2,811,409	2,853,210	3,018,628
Education	11,740,906	11,666,453	11,589,151	11,513,198	11,944,765	11,954,934	12,700,692	13,637,769	12,856,890	12,424,970
Miscellaneous revenue	478,202	485,359	779,348	1,227,807	2,001,869	1,888,508	702,508	351,686	289,266	210,094
Total revenues	58,003,971	60,961,357	64,457,900	69,905,935	74,158,198	77,434,485	82,074,853	83,510,900	84,679,126	87,355,831
Expenditures by Function										
General government	$ 2,946,305	$ 3,518,072	$ 3,933,830	$ 3,710,777	$ 4,707 754	4,691,917	3,870,728	$ 3,935,300	$ 4,216,767	$ 4,062,660
Public safety	8,500,956	9,249,045	9,975,122	10,907,760	11,303,843	11,396,359	12,444,070	12,548,669	12,653,659	12,277,584
Public works	4,451,367	3,931,571	4,594,796	4,316,164	4,626,565	4,665,096	4,846,815	4,897,654	5,115,274	5,308,473
Culture and recreation	1,973,218	2,087,301	2,123,434	2,202,084	2,284,641	2,301,415	3,256,539	3,131,978	3,034,871	2,979,609
Education	29,199,879	30,486,749	31,380,847	33,848,664	35,528,132	37,141,062	39,029,285	40,382,145	40,029,006	40,131,390
Public Welfare	653,336	730,727	785,254	638,330	604,200	658,979	687,415	693,536	783,832	847,807
Intergovernmental	3,695,246	4,639,183	4,336,892	5,454,815	5,750,204	5,922,221	6,772,323	7,030,640	7,033,271	7,303,817
Debt service										
Principal	3,998,487	4,214,821	4,220,335	4,486,607	4,700,087	6,010,838	6,425,849	6,404,599	6,724,496	6,615,142
Interest	1,524,218	1,644,937	1,799,495	2,045,847	2,445,863	3,146,722	2,964,280	3,121,893	3,308,006	3,010,759
Total expenditures	56,943,012	60,502,406	63,150,004	67,611,048	71,951,289	75,934,609	80,297,304	82,146,414	82,898,982	82,557,341
Excess of revenues										
Over(under) expenditures	1,060,959	458,951	1,307,896	2,294,887	2,206,909	1,499,876	1,777,549	1,364,486	1,780,144	4,798,490
Other Financing Sources (Uses)										
Proceeds from borrowing								8,790,000		8,530,000
Bond Premium					63,961			260,390		713,942
Payment to Refunding Escrow								(9,050,390)		(9,192,189)
Transfers in	49,595	63,828	32,000	32,000	32,000	32,000	-	515,856	578,650	137,624
Transfers out	(677,190)	(736,152)	(698,485)	(950,069)	(1,151,029)	(1,093,416)	(2,685,641)	(1,308,796)	(2,525,138)	(3,064,852)
Total governmental activities	(627,595)	(672,324)	(666,485)	(918,069)	(1,055,068)	(1,061,416)	(2,685,641)	(792,940)	(1,946,488)	(2,875,475)
Net Change in fund balances	$ 433,364	$ (213,373)	$ 641,411	$ 1,376,818	$ 1,151,841	$ 438,460	$ (908,092)	$ 571,546	$ (166,344)	$ 1,923,015

Data Source:
Audited Financial Statements

Notes
(1) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 39.

City of Dover, New Hampshire

Changes in Fund Balances, Special Revenue Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	$ 477,468	$ 109,646	$ 371,497	$ 481,763	$ 507,669	376,167	$ 229,055	$ 459,550	$ 186,297	$ 95,886
Licenses and permits	-	-	1,020	1,135	1,670	1,430	188,206	196,434	340,529	233,716
Intergovernmental	4,613,018	5,875,326	4,573,196	4,282,636	4,627,585	4,153,583	4,403,292	6,479,642	5,757,869	5,535,460
Current service charges	2,844,336	2,338,255	3,338,544	4,026,256	4,226,685	4,843,301	4,389,415	4,069,023	4,225,664	4,319,465
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	559,833	861,377	548,268	710,930	973,661	327,782	226,899	154,015	979,172	60,007
Total revenues	8,294,655	9,184,604	8,832,525	9,502,720	10,337,270	9,702,263	9,436,867	11,358,664	11,489,531	10,244,534
Expenditures										
General government	416,274	164,917	576,873	693,170	1,029,501	609,614	91,089	378,836	326,691	490,534
Public safety	1,168,557	1,204,485	1,245,632	1,336,360	1,411,641	1,403,243	2,027,429	1,859,906	1,747,205	1,866,562
Public works	826,979	842,441	893,273	1,080,548	1,109,091	1,052,042	1,014,447	1,098,536	990,977	838,577
Culture and recreation	53,137	144,816	84,283	394,200	400,112	519,747	740,969	761,471	705,093	701,043
Education	5,443,127	6,220,199	5,985,905	6,081,233	5,917,742	5,855,883	6,046,817	6,922,299	6,628,473	5,943,857
Public Welfare	528,133	744,483	386,088	632,809	818,265	408,544	442,008	511,598	437,156	459,578
Debt service										
Principal	-	-	-	-	40,000	205,000	220,000	220,000	230,000	245,000
Interest	-	-	-	8,444	206,359	204,194	183,856	185,194	176,394	170,400
Total expenditures	8,436,207	9,321,341	9,172,054	10,226,764	10,932,711	10,258,267	10,766,635	11,937,840	11,241,989	10,715,551
Excess of revenues										
Over(under) expenditures	(141,552)	(136,737)	(339,529)	(724,044)	(595,441)	(556,004)	(1,329,768)	(579,176)	247,542	(471,017)
Other Financing Sources (Uses)										
Transfers in	671,648	676,337	733,299	943,713	1,207,020	1,061,416	1,398,009	1,107,940	982,102	1,215,884
Transfers out	(252,795)	(86,688)	(440,813)	(185,000)	(87,991)	-	(477,588)	(45,000)	(143,970)	(352,193)
Total governmental activities	418,853	589,649	292,486	758,713	1,119,029	1,061,416	920,421	1,062,940	818,132	863,691
Net Change in fund balances	$ 277,301	$ 452,912	$ (47,043)	$ 34,669	$ 523,588	$ 505,412	$ (409,347)	$ 483,764	$ 1,065,674	$ 392,674

Data Source
Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

Changes in Fund Balances, Capital Project Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Intergovernmental	$ 500,945	$ 490,855	$ 136,357	$ 325,750	$ 150,499	$ -	$ 2,612,505	$ 2,266,042	$ 20,975	$ 55,949
Current service charges	217,625	226,222	1,770,819	40,000	178,863	1,208,440	-	-	610,628	3,768
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	22,737	80,468	270,305	247,107	246,210	239,883	1,309,513	145,575	123,776	422,707
Total revenues	741,307	797,545	2,177,481	612,857	575,572	1,448,323	3,922,018	2,411,617	755,379	482,424
Expenditures										
Capital outlay	7,471,290	5,393,035	6,952,065	10,748,911	15,639,184	12,526,380	11,273,246	10,776,848	9,677,731	3,126,293
Debt service										
Principal	-	-	-	-	-	-	-	-	-	898,000
Interest										
Total expenditures	7,471,290	5,393,035	6,952,065	10,748,911	15,639,184	12,526,380	11,273,246	10,776,848	9,677,731	4,024,293
Excess of revenues										
Over(under) expenditures	(6,729,983)	(4,595,490)	(4,774,584)	(10,136,054)	(15,063,612)	(11,078,057)	(7,351,228)	(8,365,231)	(8,922,352)	(3,541,869)
Other Financing Sources (Uses)										
Proceeds from borrowing	9,159,000	6,065,000	8,520,000	16,428,000	18,196,000	-	8,545,000	9,839,000	250,000	4,800,000
Transfers in	223,266	300,000	383,599	186,260	-	-	577,588	-	219,760	612,500
Transfers out	-	(300,000)	-	-	-	-	-	(400,000)	(103,453)	(19,214)
Total governmental activities	9,382,266	6,065,000	8,903,599	16,614,260	18,196,000	-	9,122,588	9,439,000	366,307	5,393,286
Net Change in fund balances	$ 2,652,283	$ 1,469,510	$ 4,129,015	$ 6,478,206	$ 3,132,388	$(11,078,057)	$ 1,771,360	$ 1,073,769	$ (8,556,045)	$ 1,851,417

Data Source:
Audited Financial Statements

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Assets
Last Ten Fiscal Years

Fiscal Year	Revenue: Intergovernmental	Revenue: Charges for Services	Revenue: Other	Revenue: Transfers In	Revenue: Total	Expenses: Operations & Maintenance	Expenses: Depreciation	Expenses: Interest Expense	Expenses: Transfers Out	Expenses: Total	Increase (Decrease) Total Net Assets	Total Net Assets	
2012	$ -	$ 8,575,866	$ 471,860	$ -	$ 9,047,726	$ 5,405,306	$ 3,012,690	$ 653,783	$ 89,198	$ 9,160,977	$ (113,251)	$ 56,618,661	
2011	-	8,548,760	378,992	-	8,927,752	5,069,692	2,748,164	823,894	47,880	8,689,630	238,122	56,731,912	
2010	-	7,691,839	515,069	-	8,206,708	5,366,058	2,869,111	937,184	-	9,172,353	(965,645)	56,493,790	
2009	-	7,729,875	781,269	-	8,511,144	5,113,860	2,708,927	1,012,204	1,607	8,836,598	(325,454)	57,459,438	
2008	-	7,858,489	627,483	-	8,485,972	4,718,312	2,637,288	1,091,442	-	8,447,042	38,930	57,784,892	(3)
2007	552,375	6,863,012	369,070	-	7,784,457	4,685,872	2,512,605	1,149,966	-	8,348,443	(563,986)	54,972,706	
2006	519,346	7,065,852	327,782	-	7,912,980	4,558,650	2,422,858	993,462	26,904	8,001,874	(88,894)	55,536,691	
2005	612,576	6,880,875	363,769	-	7,857,220	4,407,360	2,302,636	717,284	9,599	7,436,879	420,341	55,625,585	
2004	474,062	6,383,456	560,370	82,675	7,520,563	3,952,020	2,139,939	996,146	-	7,088,105	432,458	55,205,244	(1)
2003	512,554	6,957,737	409,068	-	7,879,359	3,560,102	2,087,337	1,006,474	14,524	6,668,438	1,210,921	54,772,785	(2)

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Assets
Last Ten Fiscal Years

Fiscal Year	Revenue: Intergovernmental	Revenue: Charges for Services	Revenue: Other	Revenue: Transfers In	Revenue: Total	Expenses: Operations & Maintenance	Expenses: Depreciation	Expenses: Interest Expense	Expenses: Transfers Out	Expenses: Total	Increase (Decrease) Total Net Assets	Total Net Assets	
2012	$ -	$ 4,147,280	$ 298,519	$ -	$ 4,445,799	$ 2,412,373	$ 637,175	$ 369,039	$ 75,552	$ 3,694,139	$ 751,660	$ 20,517,173	
2011	-	4,221,145	118,455	-	4,339,600	2,227,709	741,765	444,874	42,059	3,456,427	883,173	19,765,513	
2010	-	3,820,888	148,106	-	3,968,994	2,397,882	903,461	444,208	-	3,745,551	223,443	18,882,340	
2009	-	3,876,794	129,488	-	4,006,282	2,310,328	575,562	476,735	-	3,362,625	643,657	18,658,901	
2008	-	3,864,482	199,090	-	4,063,572	2,263,253	644,602	522,187	-	3,430,042	633,530	18,015,246	(2)
2007	-	3,241,820	182,180	-	3,424,000	2,219,625	637,400	447,753		3,304,778	119,222	16,110,202	
2006	-	3,296,940	133,045	-	3,429,985	2,032,099	646,178	299,074	500	2,977,851	452,134	15,990,979	
2005	15,000	3,056,682	150,305	-	3,221,987	1,990,737	602,372	186,733	6,500	2,786,342	435,645	15,538,845	
2004	-	2,789,034	240,517	82,675	3,112,226	1,762,176	526,183	233,516	-	2,521,875	590,351	15,103,200	
2003	-	3,040,583	121,338	-	3,161,921	1,611,453	501,377	213,516	-	2,326,346	835,575	14,512,849	(1)

Sewer Fund Revenue, Expenses, and Changes in Fund Net Assets
Last Ten Fiscal Years

Fiscal Year	Revenue: Intergovernmental	Revenue: Charges for Services	Revenue: Other	Revenue: Transfers In	Revenue: Total	Expenses: Operations & Maintenance	Expenses: Depreciation	Expenses: Interest Expense	Expenses: Transfers Out	Expenses: Total	Increase (Decrease) Total Net Assets	Total Net Assets	
2012	$ -	$ 4,428,586	$ 173,341	$ -	$ 4,601,927	$ 2,992,933	$ 2,175,515	$ 284,744	$ 13,646	$ 5,466,838	$ (864,911)	$ 36,101,488	
2011	-	4,327,615	260,537	-	4,588,152	2,841,983	2,006,379	379,020	5,821	5,233,203	(645,051)	36,966,399	
2010	-	3,870,751	366,963	-	4,237,714	2,968,176	1,965,650	492,976	-	5,426,802	(1,189,088)	37,611,450	
2009	-	3,853,081	651,781	-	4,504,862	2,803,532	2,133,365	535,469	1,607	5,473,973	(969,111)	38,800,537	
2008	-	3,994,007	428,393	-	4,422,400	2,455,059	1,992,686	569,255	-	5,017,000	(594,600)	39,769,646	(2)
2007	552,375	3,621,192	186,890	-	4,360,457	2,466,247	1,875,205	702,213	-	5,043,665	(683,208)	38,862,504	
2006	519,346	3,768,912	194,737	-	4,482,995	2,526,551	1,776,680	694,388	26,404	5,024,023	(541,028)	39,545,712	
2005	597,576	3,824,193	213,464	-	4,635,233	2,416,623	1,700,264	530,551	3,099	4,650,537	(15,304)	40,086,740	
2004	474,062	3,594,422	339,853	-	4,408,337	2,189,844	1,613,756	762,630	-	4,566,230	(157,893)	40,102,044	
2003	512,554	3,917,154	287,730	-	4,717,438	1,948,649	1,585,960	792,958	14,524	4,342,091	375,347	40,259,937	(1)

Data Source:
Audited Financial Reports

Notes:
(1) Beginning in Fiscal Year 2003 includes Capital Reserve Funds which were previously considered Trust Funds.
(2) Total Net Assets as restated for Fiscal Year ending June 30, 2008. Restatement resulting from adjustment of capital asset values and accumulated depreciation for capital contributions

City of Dover, New Hampshire

General Government Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Penalties	Boat Tax	Yield Tax	Payment in Lieu of Tax	Excavation Tax	Tax Interest & Penalties	Total
2012	$ 64,367,156	$ 95,886	$ 20,449	$ 7,717	$ 68,428	$ 9,892	$ 413,650	$ 64,983,178
2011	60,971,187	186,297	16,903	4,651	75,847	2,083	352,662	61,609,630
2010	59,336,642	459,550	17,366	1,560	54,384	3,600	303,359	60,176,461
2009	57,638,349	229,055	16,177	1,096	78,157	5,484	307,789	58,276,107
2008	54,815,889	376,170	17,595	15,319	33,579	3,581	266,157	55,528,290
2007	51,082,581	507,669	19,957	14,130	62,765	6,513	230,280	51,923,895
2006	48,502,622	481,763	22,389	628	63,553	7,112	195,636	49,273,703
2005	43,776,292	363,102	24,174	1,456	57,145	9,863	193,827	44,425,858
2004	41,200,107	108,017	26,275	4,651	68,874	8,700	218,562	41,635,187
2003	38,345,800	475,838	22,759	4,945	71,298	10,143	196,283	39,127,067

Data Source:
Audited Internal Financial Statements

City of Dover, New Hampshire

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at end of Current Fiscal year	Total Collections to Date		Number of Parcels		
		Amount	% of Levy				Amount	% of Levy	in Levy	Liened	% Liened
2012	$ 64,548,459	$ 61,508,390	95.3%	$ 3,040,069	$ -	$ 3,040,069	61,508,390	95.3%	9,899	355	3.6%
2011	61,316,723	58,300,049	95.1%	3,016,674	2,163,367	853,307	60,463,416	98.6%	9,873	366	3.7%
2010	59,722,532	56,637,028	94.8%	3,085,504	2,658,597	426,907	59,295,625	99.3%	9,825	417	4.2%
2009	57,813,956	55,182,839	95.4%	2,631,117	2,496,577	134,540	57,679,416	99.8%	9,808	380	3.9%
2008	55,140,420	52,827,214	95.8%	2,313,206	2,269,259	43,947	55,096,473	99.9%	9,685	295	3.0%
2007	51,305,180	49,264,164	96.0%	2,041,016	2,024,053	16,963	51,288,217	100.0%	9,552	353	3.7%
2006	48,838,109	46,864,721	96.0%	1,973,388	1,962,172	11,216	48,826,893	100.0%	9,187	278	3.0%
2005	43,833,406	42,209,865	96.3%	1,623,541	1,623,541	-	43,833,406	100.0%	9,103	249	2.7%
2004	41,081,332	39,523,836	96.2%	1,557,696	1,557,696	-	41,081,332	100.0%	9,009	262	2.9%
2003	38,378,893	36,736,461	95.7%	1,642,433	1,642,433	-	38,378,893	100.0%	8,888	310	3.5%

Data Source:
Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Tax liens are placed within 60 days after the end of the fiscal year. Taxpayers have two years to redeem liens prior to property being tax deeded.

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property
Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1) Residential	Commercial/ Industrial	Utilities	Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per $1,000 of Assessed Value	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
2012	$ 1,924,887,500	$ 678,660,400	$38,603,100	$ 2,642,151,000	$ 49,544,400	$ 2,592,606,600	$ 25.12	$ 2,716,654,840	97.3%
2011	1,948,881,800	673,620,000	35,415,000	2,657,916,800	51,381,750	2,606,535,050	23.75	2,774,177,802	95.8%
2010	1,934,577,500	666,109,800	35,400,900	2,636,088,200	52,866,750	2,583,221,450	23.33	2,768,903,096	95.2%
2009	2,094,567,000	685,319,200	35,303,500	2,815,189,700	51,608,150	2,763,581,550	21.10	3,009,995,763	93.5%
2008	2,195,273,500	655,131,100	35,579,100	2,885,983,700	50,914,700	2,835,069,000	19.63	3,028,004,490	95.3%
2007	2,178,722,000	597,125,300	34,773,700	2,810,621,000	45,808,500	2,764,812,500	18.72	2,954,382,748	95.1%
2006	1,992,919,500	546,120,670	33,169,300	2,572,209,470	36,144,400	2,536,065,070	17.29	2,909,166,586	88.4%
2005	1,881,960,500	545,071,520	33,003,800	2,460,035,820	30,528,200	2,429,507,620	16.42	2,599,843,962	94.6%
2004	1,580,353,000	485,398,492	31,250,100	2,097,001,592	19,013,400	2,077,988,192	17.67	2,303,407,162	91.0%
2003	1,359,533,470	471,810,672	31,250,100	1,862,594,242	10,271,000	1,852,323,242	18.89	2,033,558,594	91.6%

Data Sources
(1) State MS-1 Report of Assessed Values
(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2012 Assessed Value	Rank	Percentage of Total Assessed Value	2003 Assessed Value	Rank	Percentage of Total Assessed Value
Liberty Mutual Insurance Co	Insurance	$ 70,165,700	1	2.71 %	$ 24,267,000	1	1.31 %
Public Service Co of NH	Utility	22,577,500	2	0.87	20,669,900	2	1.12
The New Meadows Inc	Apartments	15,151,300	3	0.58	11,381,100	3	0.61
171 Watson Rd of Dover Holding Corp.	Scholastic Testing	14,768,600	4	0.57	-	-	-
Fortuna North, LLC	Wholesale	13,762,700	5	0.53	-	-	-
Northern Utilities Inc	Gas Utility	13,380,000	6	0.52	10,057,600	6	0 54
NP Dover LLC (Current) Shaw's(Previously)	Supermarket	11,021,600	7	0.43	11,055,500	4	0 60
Sawyers Mills Assoc Inc	Apartments	9,730,500	8	0.38	7,282,700	9	0 39
Dover Retirement Residence LLC	Retirement Community	8,224,800	9	0.32	-	-	-
Cocheco Mills Holdings LLC	Developer	7,924,100	10	0.31	-	-	-
Goss (Current) Heidelberg (Previously)	Manufacturer	-	-	-	10,952,100	5	0 59
Dover Mills Partnership	Developer	-	-	-	9,501,700	7	0.51
Holgate Limited Partnership	Comm/Res Rentals	-	-	-	9,255,600	8	0.50
Langdon Place of Dover	Retirement Community	-	-	-	7,211,000	10	0.39
Total Principal Taxpayers		$ 186,706,800		7.20 %	$ 121,634,200		6.57 %
Total Net Assessed Taxable Value		$ 2,592,606,600			$ 1,852,323,242		

Data Source:
City of Dover Tax Warrant

City of Dover, New Hampshire

Property Tax Rates per $ 1,000 of Assessed Value
Direct and Overlapping Governments
Last Ten Fiscal Years

	City Direct Rates							Overlapping Rate		
Fiscal Year	City	Budgetary Use of Fund Balance (1)	Total City (2)	Local School (2)	State School (3)	Total School	Total Direct	County	Total	Estimated Full Value Rate
2012	$ 9.54	$ -	$ 9.54	$ 10.26	$ 2.50	$ 12.76	$ 22.30	$ 2.82	$ 25.12	$ 23.94
2011	8.93	-	8.93	9.57	2.55	12.12	21.05	2.70	23.75	22.26
2010	8.55	-	8.55	9.54	2.52	12.06	20.61	2.72	23.33	21.70
2009	7.57	-	7.57	8.79	2.31	11.10	18.67	2.43	21.10	19.33
2008	7.23	-	7.23	8.02	2.31	10.33	17.56	2.07	19.63	18.33
2007	6.87	(0.15)	6.72	7.56	2.38	9.94	16.66	2.06	18.72	17.47
2006	7.04	-	7.04	7.66	2.59	10.25	17.29	2.13	19.42	16.88
2005	6.91	-	6.91	6.71	2.80	9.51	16.42	1.76	18.18	16.93
2004	7.48	(0.05)	7.43	5.87	4.37	10.24	17.67	2.21	19.88	17.85
2003	8.03	(0.13)	7.90	6.08	4.91	10.99	18.89	1.97	20.86	18.90

Data Source:
NH State Department of Revenue Administration

Notes:
(1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
(2) Debt service is included in the City and Local School rates.
(3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Utility Fund Net Budget, Billable Volumes and Rates
Last Ten Fiscal Years

Fiscal Year	Amount to be Raised by Rates (1)		Billable Volume Used for Setting Rates (2)		Rates per HCF (4)		
	Water	Sewer	Water	Sewer (3)	Water	Sewer	Combined
2012	$ 3,980,328	$ 5,036,855	999,253	919,714	$ 3.97	$ 5.43	$ 9.40
2011	3,926,131	4,706,175	999,253	933,000	3.93	5.04	8.97
2010	3,847,648	4,426,221	1,019,000	933,000	3.78	4.74	8.52
2009	3,817,555	4,182,454	1,019,000	927,000	3.75	4.51	8.26
2008	3,597,404	4,069,946	1,019,000	927,000	3.53	4.39	7.92
2007	3,179,280	4,023,180	1,019,000	927,000	3.12	4.34	7.46
2006	3,016,240	3,828,510	1,019,000	927,000	2.96	4.13	7.09
2005	2,730,920	3,717,270	1,019,000	927,000	2.68	4.01	6.69
2004	2,422,840	3,605,880	1,018,000	906,000	2.38	3.98	6.36
2003	2,202,550	3,357,000	1,015,000	900,000	2.17	3.73	5.90

Data Source:
City of Dover Budget and Budget Resolutions

Notes:
(1) Amount to be raised by rate equals the net budget, i.e., appropriations less other revenue sources.
(2) Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
(3) Sewer charges are based on the amount of water consumed.
(4) One hundred cubic feet (HCF) equals 748 gallons.

City of Dover, New Hampshire

Dover's Share of the Strafford County Tax Apportionment

Last Ten Fiscal Years
(based on percentage of equalized value)

Total Equalized Values				Apportionment of County Tax Levy				
Tax Year	Dover	Strafford County	Dover's %	Fiscal Year	County Tax Levy	Dover's Share	Dover's Share $ Change	Dover's Share % Change
2010	$ 2,776,723,718	$ 10,188,669,097	27.2530562%	2012	$ 26,800,000	$ 7,303,817	$ 270,546	3.8%
2009	2,771,603,605	10,535,297,254	26.3077874%	2011	26,744,561	7,033,271	2,631	0.0%
2008	3,012,848,041	11,251,423,584	26.7774830%	2010	26,255,790	7,030,640	258,317	3.8%
2007	3,030,963,132	11,365,940,726	26.6670679%	2009	25,395,827	6,772,323	850,102	14.4%
2006	2,957,658,251	11,428,976,216	25.8785931%	2008	22,884,637	5,922,221	172,016	3.0%
2005	2,912,670,592	10,943,501,422	26.6155271%	2007	21,604,701	5,750,205	295,390	5.4%
2004	2,603,256,233	9,798,715,231	26.5673221%	2006	20,532,046	5,454,815	1,117,923	25.8%
2003	2,307,394,165	8,651,293,933	26.6710874%	2005	16,260,649	4,336,892	(302,291)	-6.5%
2002	2,036,499,998	7,464,648,336	27.2819282%	2004	17,004,598	4,639,183	943,938	25.5%
2001	1,794,028,135	6,480,835,631	27.6820496%	2003	13,348,887	3,695,245	28,626	0.8%

Data Sources:
NH Department of Revenue Administration Equalization Surveys
County Tax Warrants
Adopted Strafford County Budgets

City of Dover, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt at June 30										
City Depts. (Includes Arena) (1)	$ 25,708,328	$ 27,332,571	$ 30,982,814	$ 39,661,057	$ 45,784,300	$ 41,974,543	$ 48,729,256	$ 48,278,316	$ 44,001,511	$ 43,702,119
Hospital	-	-	-	-	-	-	-	-	-	-
School Dept.	20,067,764	20,293,700	20,943,122	24,206,272	31,538,942	29,132,861	27,408,864	31,196,755	28,640,814	26,097,769
Total Governmental Activities	45,776,092	47,626,271	51,925,936	63,867,329	77,323,242	71,107,404	76,137,920	79,473,071	72,642,325	69,799,888
Water Fund	5,985,649	7,685,000	7,788,000	11,103,000	12,578,000	11,573,000	10,763,000	11,344,000	10,334,000	10,083,800
Sewer Fund	15,056,000	14,829,000	14,701,000	14,553,000	13,210,000	11,538,000	11,128,000	10,815,000	8,957,500	10,660,600
Arena Fund	4,034,410	3,785,920	3,542,430	3,298,940	3,055,450	2,813,960	-	-	-	-
DBIDA Fund	-	-	-	2,383,554	2,256,453	2,121,775	1,983,435	1,841,189	1,794,773	-
Total Debt at June 30	$ 70,852,151	$ 73,906,191	$ 77,957,366	$ 95,205,823	$ 108,423,145	$ 99,154,139	$ 100,012,355	$ 103,473,260	$ 93,728,598	$ 90,544,288
Base Value for Debt Limits (2)	$2,085,144,579	$2,336,696,368	$2,634,930,749	$2,944,329,836	$2,988,313,185	$3,060,293,656	$3,040,617,437	$ 2,768,903,096	$ 2,774,177,802	$2,714,253,993
Legal Debt Limits (% of Base Value)										
City - 1.75% thru 1998, 3% 1999 on (3)	$ 61,954,337	$ 70,100,891	$ 79,047,922	$ 88,329,895	$ 89,649,396	$ 91,808,810	$ 91,218,523	$ 83,067,093	$ 83,225,334	$ 81,427,620
School - 7% (3)	144,560,121	163,568,746	184,445,152	206,103,089	209,181,923	214,220,556	212,843,221	193,823,217	194,192,446	189,997,780
Water - 10% (3)	208,514,458	233,669,637	263,493,075	294,432,984	298,831,319	306,029,366	304,061,744	276,890,310	277,417,780	271,425,399
DBIDA - Industrial Parks (4)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
DBIDA - Industrial Buildings (5)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
DBIDA - Industrial Project (6)	NA	NA	NA	205,778,758	224,849,880	230,847,080	225,185,544	210,859,736	212,606,024	211,372,080
Debt Against Legal Debt Limits										
City Depts. (Includes Arena)	25,855,410	27,052,920	30,306,430	37,712,940	42,989,450	39,454,960	40,012,470	40,171,288	36,903,240	37,226,320
School Dept.	20,067,764	20,293,700	20,943,122	24,206,272	31,538,942	29,132,861	27,408,864	31,196,754	28,640,814	26,097 769
Water Fund	5,985,649	7,685,000	7,788,000	11,103,000	12,578,000	11,573,000	10,763,000	11,344,000	10,334,000	10,083,800
DBIDA - Industrial Parks	1,455,000	1,285,000	1,115,000	945,000	1,095,000	845,000	595,000	345,000	100,000	-
DBIDA - Industrial Buildings	-	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Project	-	-	-	2,383,554	1,936,453	1,881,775	1,823,435	1,761,189	1,694,773	-
Exempt from Legal Debt Limits (7)	17,488,328	17,609,571	17,804,814	18,855,057	18,285,300	18,266,543	19,409,786	18,655,029	16,055,771	17,136,399
Total Debt at June 30	$ 70,852,151	$ 73,906,191	$ 77,957,366	$ 95,205,823	$ 108,423,145	$ 99,154,139	$ 100,012,355	$ 103,473,260	$ 93,728,598	$ 90,544,288
Unused Capacity of Legal Debt Limits										
City Depts.	$ 36,098,927	$ 43,047,971	$ 48,741,492	$ 50,616,955	$ 46,659,946	$ 52,353,850	$ 51,206,053	$ 42,895,805	$ 46,322,094	$ 44,201,300
School Dept	124,492,357	143,275,046	163,502,030	181,896,817	177,642,981	185,087,695	185,434,557	162,626,463	165,551,632	163,900,011
Water Fund	200,528,809	226,004,637	255,705,075	283,329,984	286,253,319	294,456,366	293,298,744	265,546,310	267,083,780	261,341,599
DBIDA - Industrial Parks	2,545,000	2,715,000	2,885,000	3,055,000	2,905,000	3,155,000	3,405,000	3,655,000	3,900,000	4,000,000
DBIDA - Industrial Buildings	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-
DBIDA - Industrial Project	NA	NA	NA	203,393,203	222,913,227	228,965,305	223,362,108	209,098,547	210,911,251	211,372,080
% of Legal Debt Limits Used										
City Depts.	41.7%	38.6%	38.3%	42.7%	48.0%	43.0%	43.9%	48.4%	44.3%	45.7%
School Dept.	13.9%	12.4%	11.4%	11.7%	15.1%	13.6%	12.9%	16.1%	14.7%	13.7%
Water Fund	2.9%	3.3%	3.0%	3.8%	4.2%	3.8%	3.5%	4.1%	3.7%	3.7%
DBIDA - Industrial Parks	36.4%	32.1%	27.9%	23.6%	27.4%	21.1%	14.9%	8.6%	2.5%	0.0%
DBIDA - Industrial Buildings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Project	0.0%	0.0%	0.0%	1.2%	0.9%	0.8%	0.8%	0.8%	0.8%	0.0%

Data Source
Audited Financial Statements

Notes:
(1) In Fiscal Year 2009 the Arena Enterprise Fund was dissolved into the General Fund.
(2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
(3) Legal debt limit percentage rates set by NH State statute
(4) Dover Business & Industrial Development Authority - Industrial Parks. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
(5) Dover Business & Industrial Development Authority - Industrial Park Buildings. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
(6) Dover Business & Industrial Development Authority - Bond Limit of general obligation of 8% of local assessed value.
(7) Debt exempt from Debt limits consists of Hospital and Sewer debt, debt for hazardous waste remediation included in City Departments and debt for Public Parking improvements as set per NH State statute

City of Dover, New Hampshire

Ratios of Outstanding Debt by Debt Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities - General Obligation Debt							% of Net Debt to Assessed Value	Tax Supported Debt per capita (1)
	City Depts.	Hospital	School Dept.	Total	Less Hospital Reimbursement	Less State School Aid	Tax Supported Debt		
2012	$ 43,702,119	$ -	$ 26,097,769	$ 69,799,888	$ -	$ 6,304,708	$ 63,495,180	2.4%	$ 2,082
2011	44,101,511	-	28,640,814	72,742,325	-	6,919,599	65,822,726	2.5%	2,195
2010	48,276,316	-	31,196,755	79,473,071	-	7,550,706	71,922,365	2.8%	2,433
2009	48,729,256	-	27,408,664	76,137,920	-	8,194,361	67,943,559	2.5%	2,310
2008	41,974,543	-	29,132,861	71,107,404	-	8,679,349	62,428,055	2.2%	2,135
2007	45,784,300	-	31,538,942	77,323,242	-	8,883,991	68,439,251	2.5%	2,347
2006	39,661,057	-	24,206,272	63,867,329	-	5,421,046	58,446,283	2.3%	2,009
2005	30,982,814	-	20,943,122	51,925,936	-	4,240,639	47,685,297	2.0%	1,660
2004	27,332,571	-	20,293,700	47,626,271	-	4,682,229	42,944,042	2.1%	1,497
2003	25,708,328	-	20,067,764	45,776,092	-	5,120,525	40,655,567	2.2%	1,435

Fiscal Year	Business-Type Activities - General Obligation Debt							Net debt per capita (1)	% of Personal Income (2)
	Water Fund	Sewer Fund	Arena Fund (3)	DBIDA Fund (4)	Total	Less State Sewer Aid	Net Debt		
2012	$ 10,083,800	$ 10,660,600	$ -	$ -	$ 20,744,400	$ 170,169	$ 20,574,231	$ 675	2.2%
2011	10,334,000	8,957,500	-	1,694,773	20,986,273	1,008,275	19,977,998	666	2.2%
2010	11,344,000	10,815,000	-	1,841,189	24,000,189	2,051,383	21,948,806	742	2.4%
2009	10,763,000	11,128,000	-	1,983,435	23,874,435	3,057,565	20,816,870	708	2.3%
2008	11,573,000	11,538,000	2,813,960	2,121,775	28,046,735	3,804,551	24,242,184	829	2.8%
2007	12,578,000	13,210,000	3,055,450	2,256,453	31,099,903	4,141,071	26,958,832	924	3.2%
2006	11,103,000	14,553,000	3,298,940	2,383,554	31,338,494	4,970,673	26,367,821	906	3.2%
2005	7,788,000	14,701,000	3,542,430	-	26,031,430	5,800,276	20,231,154	704	2.6%
2004	7,665,000	14,829,000	3,785,920	-	26,279,920	6,629,874	19,650,046	685	2.6%
2003	5,985,649	15,056,000	4,034,410	-	25,076,059	7,459,482	17,616,577	681	2.6%

Fiscal Year	Total Primary Government	Less State and Hospital	Net Debt	Percentage of Net Debt to Actual Taxable Value of Property	Net Debt per capita (1)	Total Debt per capita (1)	Total Debt % of Personal Income (2)
2012	$ 90,544,288	$ 6,474,877	$ 84,069,411	3.2%	$ 2,756	$ 2,969	9.6%
2011	93,728,598	7,927,874	85,800,724	3.3%	2,861	3,126	10.1%
2010	103,473,260	9,602,089	93,871,171	3.6%	3,175	3,500	11.1%
2009	100,012,355	11,251,926	88,760,429	3.2%	3,017	3,400	11.1%
2008	99,154,139	12,483,900	86,670,239	3.1%	2,965	3,392	11.3%
2007	108,423,145	13,025,062	95,398,083	3.5%	3,271	3,718	12.8%
2006	95,205,823	10,391,719	84,814,105	3.3%	2,915	3,272	11.6%
2005	77,957,366	10,040,915	67,916,451	2.8%	2,364	2,714	9.9%
2004	73,906,191	11,312,103	62,594,088	3.0%	2,182	2,576	9.7%
2003	70,852,151	12,580,007	58,272,144	3.1%	2,057	2,501	9.7%

Data Source:
Audited Financial Statements
Assessing Department MS-1 Reports
Notes:

(1) Per capita ratio for FY2011 is based on 2010 U.S. Census data, all other years based on trended NH Office of Energy and Planning population estimates
(2) Personal Income ratios based on trended 2000 US Census amounts.
(3) In Fiscal Year 2009 the Arena Fund was dissolved into the General Fund
(4) In Fiscal Year 2012 DBIDA General Obligation Debt was fully paid as part of a real estate sales transaction.

City of Dover, New Hampshire

Computation of Overlapping Debt
Strafford County Long Term Debt
Last Ten Calendar Years

Direct: City of Dover

End of Fiscal Year	General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2012	$ 69,799,888	100%	$ 69,799,888
2011	72,742,325	100%	72,742,325
2010	79,473,071	100%	79,473,071
2009	76,137,920	100%	76,137,920
2008	71,107,404	100%	71,107,404
2007	77,323,242	100%	77,323,242
2006	63,897,329	100%	63,897,329
2005	51,925,936	100%	51,925,936
2004	47,626,271	100%	47,626,271
2003	45,776,092	100%	45,776,092

Overlapping: Strafford County

End of Calendar Year	Net General Obligation Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
2011	$ 19,740,000	27.3520627%	$ 5,399,297
2010	21,535,000	27.2530562%	5,868,946
2009	23,474,863	26.3077874%	6,175,717
2008	21,027,839	26.7774830%	5,630,726
2007	22,762,838	26.6670679%	6,070,181
2006	24,495,948	25.8785931%	6,339,207
2005	24,960,356	26.6155271%	6,643,330
2004	26,361,597	26.5673221%	7,003,570
2003	23,565,225	26.6710874%	6,285,102

Data Sources:
(1) Strafford County Audited Financial Statements at calendar year end
(2) NH Department of Revenue Administration

City of Dover, New Hampshire

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Family Income (2)	Estimated Total Personal Income (3)	Per Capita Personal Income (2)	City (4)		Unemployment Rates (4)		
					Unemployed	Labor Force	City	State of NH	US
2012	30,500	$ 80,994	$ 946,415,000	$ 31,030	890	18,430	4.8%	5.4%	8.4%
2011	29,987	77,740	925,968,573	30,879	860	17,740	4.8%	5.2%	9.3%
2010	29,563	75,820	931,500,567	31,509	910	17,390	5.2%	5.7%	9.5%
2009	29,417	73,943	903,219,568	30,704	1,072	17,580	6.1%	6.8%	9.8%
2008	29,236	72,066	874,127,164	29,899	638	18,240	3.5%	4.0%	5.7%
2007	29,161	70,189	848,410,134	29,094	579	17,550	3.3%	4.0%	5.0%
2006	29,097	68,312	823,125,033	28,289	539	17,400	3.1%	3.6%	5.1%
2005	28,728	66,435	789,560,352	27,484	504	16,442	3.1%	3.8%	5.5%
2004	28,688	64,558	765,367,152	26,679	564	16,310	3.5%	4.3%	6.0%
2003	28,329	62,681	732,984,546	25,874	564	15,987	3.5%	4.7%	5.8%

Data Sources:

(1) 2011 data based on 2010 U.S. Census, all other years trended based on 2005 NH Office of State Planning population estimates.

(2) 2011 data based on 2010 U.S. American Community Survey, all other years trended based on U.S. Census data.

(3) Estimated based on trended population and per capita personal income.

(4) US Bureau of Labor Statistic - calendar year annual averages not seasonally adjusted.
Reflects calendar year ending during fiscal year (mid-fiscal year).

City of Dover, New Hampshire

Principal Employers
Current Year and Nine Years Ago

		2012			2003		
Employer	Type of Business	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Liberty Mutual Insurance Co	Insurance	2,753	1	14.94 %	1,210	1	7.68 %
City of Dover (FTEs)	Municipality	800	2	4.34	870	3	5.53
Wenworth Douglas Hospital	Hospital	796	3	4.32	1,204	2	7.65
Strafford County	County Government	483	4	2.62			
Measured Progress	Scholastic testing	473	5	2.57			
Churchill Medical Systems	Manufacturer - medical kits	151	6	0.82			
Park Nameplate	Nameplates for auto/cosmetics	98	7	0.53			
Hirel Systems	Manufacturer - Electronics	83	8	0.45			
Fosters Daily Democrat	Newspaper	78	9	0.42	200	5	1.27
Dell Services (Perot Systems)	Defense Tech System Contractor	77	10	0.42	131	8	0.83
Goss (previously Heidelberg Harris)	Manufacturer - Presses				600	4	3.81
Electrocraft (EAD Motors)	Electric motors & fans				150	6	0.95
MBNA	Telemarketing				147	7	0.93
ATT	National Passport Center				130	9	0.83
Fibredyne	Manufacturer - Carbon Filters				90	10	0.57
Total Principal Employers		5,792		31.43 %	4,732		30.05 %
Total City Employment (1)		18,430			15,746		

Data Source:
Final Official Statements for City of Dover bond issues and information provided by City's Economic Development Office.

Notes
(1) US Bureau of Labor Statistics calendar year annual average ending during fiscal year.

City of Dover, New Hampshire

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Finance										
Taxable property parcels assessed	8,888	9,009	9,103	9,187	9,552	9,685	9,808	9,825	9,873	9,899
Property transfers processed	1,146	1,194	1,170	1,198	977	781	712	689	740	742
Motor vehicles registered	29,990	30,622	30,775	30,210	30,247	29,840	27,665	28,334	29,280	30,838
Inspection Services Division										
Number of inspections conducted (1)	640	637	623	782	1,214	1,278	4,227	5,112	4,598	5,203
Building Permits Issued	629	654	572	531	522	398	349	396	358	381
Estimated construction value in millions	$ 42.87	$ 55.95	$ 45.88	$ 53.58	$ 74.20	$ 53.51	$ 33.74	$ 29.82	$ 47.90	$ 23.78
Police (2)										
Physical arrests	1,585	1,252	1,245	1,349	1,469	1,213	908	789	844	819
Traffic violations	1,603	1,466	1,313	1,400	1,319	1,686	1,326	1,138	1,134	1,217
Parking violations	7,983	8,472	8,374	8,499	10,507	8,522	7,795	7,720	6,679	10,336
Fire and Rescue										
Calls answered	5,077	4,794	5,147	5,021	5,085	5,146	5,018	5,549	5,347	5,242
Emergency Responses	2,797	3,038	3,197	3,200	3,712	3,923	3,844	4,244	4,859	4,609
Fires extinguished	135	104	72	101	101	152	277	306	286	353
Emergency medical responses	1,949	2,144	2,224	2,175	2,441	2,692	2,349	2,614	2,945	2,880
Community services - Public Works										
Refuse collected (tons)	4,880	5,000	4,996	5,853	5,267	5,407	4,919	3,941	3,546	3,884
Recycling (tons)	2,875	2,060	2,823	3,017	4,255	3,036	2,532	2,518	2,493	2,472
Streets resurfaced (miles)	5.5	6.0	4.5	13.1	8.0	2.6	6.9	3.0	2.9	3.7
Public Library										
Volumes in collections	99,992	101,114	99,321	100,247	103,884	104,004	107,701	104,639	104,974	101,715
Total volumes borrowed	267,448	274,052	270,692	278,396	279,332	290,402	299,346	288, 512	298,225	291,515
Public Welfare - General Assistance										
Number of contacts	2,421	3,328	3,935	4,956	4,010	4,763	4,987	6,362	6,308	6,293
Assisted cases	580	610	650	698	664	685	685	1,651	1,924	1,982
Water system:										
Water main breaks	NA	NA	4	2	13	18	16	16	1	4
Daily average consumption (millions of gallons)	2.2	2.2	2.3	2.3	2.3	2.3	2.5	2.8	3.0	3.1
Peak daily consumption (millions of gallons)	3.4	3.2	3.4	3.4	3.6	3.6	3.5	3.2	3.7	4.1
Sewage System:										
Daily average treatment (millions of gallons)	2.7	2.7	2.6	2.8	2.8	2.9	3.1	2.6	2.5	2.5

Data Source:
Various city departments

Notes
(1) In FY 2009 the Building Inspection Division and Fire Inspection Division were combined into one Division.
(2) Calendar year ending during the fiscal year

City of Dover, New Hampshire

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of patrol units	10	10	10	10	10	10	9	9	9	9
Fire and Rescue										
Number of stations	2	2	2	2	2	2	3	3	3	3
Number of ladder trucks	2	1	1	1	2	2	2	2	2	2
Number of pumpers	4	4	4	4	3	3	4	4	4	4
Number of support vehicles	5	5	5	5	6	6	6	6	6	6
Number of ambulances	3	3	3	3	3	3	3	3	3	3
Community Services - Public Works										
Miles of streets	131	131	131	132	132	133	133	133	133	133
Miles of storm drains	57	57	64	65	67	67	69	69	69	69
Number of street lights	1,831	1,836	1,770	1,773	1,773	1,777	1,776	1,776	1,771	1,771
Number of bridges	11	11	11	11	11	11	11	12	12	12
Recreation:										
Community centers	2	2	2	2	1	1	1	1	1	1
Number of parks	16	17	18	18	18	18	25	25	25	25
Park acreage	236	250	274	274	274	274	235	235	235	235
Playgrounds	10	11	11	12	12	12	15	15	15	15
Baseball/softball fields	8	10	10	10	10	10	6	6	6	6
Football/soccer fields	5	7	7	7	7	7	2	2	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	9	9	9	9	9	10	10	10	10
Indoor gyms	2	2	2	2	1	1	1	1	1	1
Indoor ice skating sheets	2	2	2	2	2	2	2	2	2	2
Water system:										
Miles of water mains	133	134	148	149	151	155	153	153	153	155
Number of service connections	7,656	7,900	7,993	8,040	8,124	8,156	8,218	8,270	8,321	8,490
Storage capacity in gallons (millions of gallons)	5	5	5	5	5	5	5	5	5	6
Maximum daily capacity of plant (millions of gallons)	3.4	3.4	3.4	3.4	4	5	5	5	5	5
Number of fire hydrants	960	960	967	1,050	1,093	1,107	1,107	1,107	1,130	1,156
Sewage System:										
Miles of sanitary sewers	112	112	117	117	120	120	120	120	122	122
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	6,488	6,700	7,154	7,215	7,332	7,398	7,464	7,542	7,569	7,786
Maximum daily capacity of treatment (millions of gallons)	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	5

Data Source:
Various city departments

City of Dover, New Hampshire

City Government Employees by Function - Full Time Equivalents
Last Ten Fiscal Years

Function	Fiscal Year 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Executive (1)	12.7	11.4	13.5	12.6	12.9	13.7	12.7	8.0	8.1	7.8
Finance (1)	15.7	16.0	16.0	16.0	16.0	16.0	16.0	20.0	20.0	20.0
Planning (2)	9.5	10.0	10.0	10.6	10.6	9.6	5.5	4.8	5.5	5.5
Total General Government	37.8	37.4	39.5	39.2	39.5	39.3	34.2	32.8	33.6	33.3
Public Safety										
Police - Sworn Officers	54.6	54.6	54.6	55.7	52.6	50.5	48.4	47.4	47.4	47.4
Police - Non-sworn employees	24.0	24.0	24.5	25.6	27.1	27.6	25.6	26.8	29.4	29.4
Total Police Department	78.7	78.7	79.1	81.3	79.7	78.1	74.0	74.2	76.8	76.8
Fire and Rescue (2)	48.9	50.3	50.3	54.6	54.6	54.6	61.1	61.7	61.7	61.4
Total Public Safety	127.6	128.9	129.5	135.8	134.3	132.7	135.1	135.9	138.5	138.2
Public Works										
General Fund functions (3)	44.6	43.5	43.4	43.8	39.4	38.5	36.6	37.3	35.6	34.6
Water	13.5	13.5	13.5	13.5	13.0	13.0	13.0	11.0	10.5	10.5
Sewer (4)	16.0	16.0	16.0	16.0	16.0	16.0	16.0	17.0	17.0	15.0
Fleet maintenance	5.9	5.9	6.0	6.0	5.7	5.0	5.0	5.0	5.0	5.0
Total Public Works	80.0	78.9	78.9	79.3	74.2	72.5	70.6	70.3	68.1	65.1
Culture and Recreation										
Recreation (3)	36.5	33.8	34.4	33.5	33.1	34.9	34.8	36.2	34.4	34.4
Public Library	15.7	15.6	15.5	15.8	15.8	14.8	13.8	13.5	13.4	13.4
Total Culture and Recreation	52.1	49.3	49.9	49.2	48.9	49.7	48.6	49.7	47.8	47.8
Public Welfare										
Welfare (5)	5.4	5.4	5.3	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total Public Welfare	5.4	5.4	5.3	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Total All Functions	302.9	299.9	303.0	306.4	299.5	297.0	291.3	291.5	290.8	287.2
Percent of Total										
General Government	12.5%	12.5%	13.0%	12.8%	13.2%	13.2%	11.7%	11.2%	11.6%	11.6%
Public Safety	42.1%	43.0%	42.7%	44.3%	44.8%	44.7%	46.4%	46.6%	47.6%	48.1%
Public Works	26.4%	26.3%	26.0%	25.9%	24.8%	24.4%	24.2%	24.1%	23.4%	22.7%
Culture and Recreation	17.2%	16.5%	16.5%	16.1%	16.3%	16.7%	16.7%	17.1%	16.4%	16.6%
Public Welfare	1.8%	1.8%	1.7%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:
Budgeted Positions per City of Dover Budget. Full time equivalent based on 40 hours per week.

Notes
(1) The City Clerk Office was transferred from Executive Department to Finance Department in FY10.
(2) The Building Inspection Division of the Planning Department was transferred to the Fire and Rescue Department in FY09.
(3) A reorganization of personnel occurred in 1996 concentrating maintenance workers to Public Works.
(4) The operations of the Wastewater Treatment Plant were taken over from a private firm in 2000 after a 5 year contract.
(5) The Youth Resource Div of Public Welfare was transferred to the Police Department in FY06.

City of Dover, New Hampshire

School Building Information
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Garrison Elementary										
Square feet	49 678	49,678	55,178	65,938	65,938	65,938	65,938	65,938	65,938	65,938
Teachers	30.0	31.3	24.9	25.5	31.5	31.5	33.7	34.4	28.3	27 3
Capacity	612.5	612.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5	672.5
Enrollment	440.0	428.0	400 0	379.0	512.0	523.0	541.0	536.0	555.0	452.0
Horne Street Elementary										
Square feet	48,236	48,236	48,236	48,236	48,236	48,236	48,236	48,236	58,223	58 223
Teachers	25.3	23.8	26 4	24.4	22.4	22.4	25 5	24.2	28.3	28.3
Capacity	612.5	612.5	612 5	612.5	612.5	612.5	612 5	612.5	620.5	620.5
Enrollment	391.0	435.0	447 0	474.0	358.0	370.0	365 0	370.0	400.0	507.0
Woodman Park Elementary										
Square feet	73,108	73,108	73,108	73,108	105,178	105,178	105,178	105,178	105,178	105,178
Teachers	33.0	27.5	29 8	30.8	32.3	32.3	28 9	30.6	32.3	31.3
Capacity	477.5	477.5	477 5	477.5	594.0	594.0	594 0	594.0	594.0	594.0
Enrollment	462.0	479.0	460 0	454.0	468.0	482.0	506 0	537.0	575.0	596.0
Totals All Elementary Schools										
Square feet	171,022	171,022	176,522	187,282	219,352	219,352	219,352	219,352	219,352	219,352
Teachers	88.3	82.6	81 1	80.7	86.2	86.2	88 1	89.2	88.9	86 9
Capacity	1,702.5	1,702.5	1,762 5	1,762.5	1,879.0	1,879.0	1,879 0	1,879.0	1,887.0	1,887 0
Enrollment	1,293.0	1,342.0	1,307 0	1,307.0	1,338.0	1,375.0	1,412 0	1,443.0	1,530.0	1,555 0
Dover Middle School (1)										
Square feet	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020
Teachers	69.2	73.5	67.7	75.0	72.9	72.9	67 7	66.4	67.7	66 7
Capacity (2)	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380 0	1,380.0	1,380.0	1,380 0
Enrollment	1,137.0	1,142.0	1,098.0	1,082.0	1,109.0	1,116.0	1,094 0	1,077.0	1,084.0	1,089 0
Dover High School										
Square feet	226,735	226,735	226,735	226,735	226,735	226,735	226,735	226,735	226,735	226,735
Teachers	106.8	107.4	110.6	110.4	116.8	116.8	116.8	112.8	113.3	107 3
Capacity	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760 0
Enrollment	1,682.0	1,742.0	1,658.0	1,866.0	1,779.0	1,692.0	1,728.0	1,649.0	1,573.0	1,480 0
Totals All Schools										
Square feet	572,777	572,777	578,277	589,037	621,107	621,107	621,107	621,107	621,107	621,107
Teachers	264.3	263.5	259.4	266.1	275.9	275.9	272.6	268.4	269.9	260.9
Capacity (2)	4,842.5	4,842.5	4,902.5	4,902.5	5,019.0	5,019.0	5,019.0	5,019.0	5,027.0	5,027.0
Enrollment	4,112.0	4,226.0	4,063.0	4,255.0	4,226.0	4,183.0	4,234.0	4,169.0	4,187.0	4,124.0
Food Service - All Schools										
Number Meals Served	341,679	352,406	351,783	333,139	340,863	335,834	341,272	355,209	358,754	363,718
Avg Daily Participation	1,898	1,958	1,954	1,851	1,894	1,866	1,896	1,973	1,993	2,021

Data Source:
School Department - as of official NH Department of Education reporting date: Oct 1st

Notes
(1) In 2001 a new Middle School replaced the Junior High School/Middle School. Grades changed from 6th through 8th to 5th through 8th.
(2) Capacity of old Middle School is not known.

City of Dover, New Hampshire

School Department Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Operating Budget (1)	Debt Service (1)	Total Budget	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Attendance Percentage
2012	$ 41,677,206	$ 4,075,515	$ 45,752,721	4,124	$ 11,094	3.9%	260.9	15.8	94.8%
2011	40,468,900	4,245,221	44,714,121	4,187	$ 10,679	-0.2%	269.9	15.5	94.7%
2010	40,699,081	3,934,140	44,633,221	4,169	10,706	5.5%	268.4	15.5	94.6%
2009	39,216,997	3,761,337	42,978,334	4,234	10,151	2.1%	272.6	15.5	94.6%
2008	37,912,706	3,689,854	41,602,560	4,183	9,946	7.8%	275.0	15.2	95.2%
2007	36,203,218	2,799,270	39,002,488	4,226	9,229	6.2%	275.9	15.3	94.6%
2006	34,363,074	2,598,888	36,961,962	4,255	8,687	2.3%	266.1	16.0	94.5%
2005	32,065,504	2,448,119	34,513,623	4,063	8,495	8.0%	259.4	15.7	95.2%
2004	30,922,459	2,316,331	33,238,790	4,226	7,865	1.3%	263.0	16.1	94.8%
2003	29,751,613	2,178,843	31,930,456	4,112	7,765	5.0%	264.3	15.6	95.0%

Data Source:
Budget information from City Adopted Budget and non-financial information provided by the School Department.

Notes:
(1) Budget is for the General Fund only and excludes grant funds and cafeteria fund.
(2) Enrollment is based on start of year census.

City of Dover, New Hampshire

School Educational and Service Information
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dover High School										
Senior Enrollment (1)	344	357	355	353	411	393	391	382	350	363
Status of Seniors (2)										
Graduated	333	352	336	335	372	366	352	378	337	345
Enrolled in four-year college	160	143	141	140	167	162	180	177	158	153
Enrolled in two-year college	57	68	74	60	76	84	70	88	63	74
Enlisted in Armed Forces	11	16	10	10	5	18	10	14	11	9
Post-secondary, workforce or other	105	125	104	125	124	102	92	99	105	109
SAT Mean Scores										
Verbal	519	515	518	503	518	512	497	500	495	509
Math	518	511	516	504	520	517	507	508	501	511
% of Seniors taking test	65%	65%	65%	62%	61%	62%	63%	60%	61%	66%

Data Source:
School Department - as of official NH Department of Education reporting date: Oct 1st

NOTES:
(1) As of Official DOE Reporting Date: Oct 1st. Enrollment includes tuition students.
(2) As of end of fiscal year.

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